

CONFIDENTIAL

Press Conference #1

At the White House, Executive Offices

March 8th, 1933 - 10.10 A.M.

(Mr. Young introduced the members of
the Press to the President.)

THE PRESIDENT: It is very good to see you all and my hope is that these conferences are going to be merely enlarged editions of the kind of very delightful family conferences I have been holding in Albany for the last four years.

I am told that what I am about to do will become impossible, but I am going to try it. We are not going to have any more written questions and of course while I cannot answer seventy-five or a hundred questions because I simply haven't got the physical time, I see no reason why I should not talk to you ladies and gentlemen off the record just the way I have been doing in Albany and the way I used to do it in the Navy Department down here. Quite a number of you, I am glad to see, date back to the days of the previous existence which I led in Washington.

(Interruption -- "These two boys are off for Arizona." John and Franklin Roosevelt saying "good-bye".)

And so I think we will discontinue the practice of compelling the submitting of questions in writing before the conference in order to get an answer.

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There will be a great many questions, of course, that I won't answer, either because they are "if" questions -- and I never answer them -- and Brother Stephenson will tell you what an "if" question is --

MR. STEPHENSON: I ask forty of them a day.

THE PRESIDENT: And the others of course are the questions which for various reasons I don't want to discuss or I am not ready to discuss or I don't know anything about. There will be a great many questions you will ask about that I don't know enough about to answer.

Then, in regard to news announcements, Steve and I thought that it was best that straight news for use out of here should be always without direct quotations. In other words, I don't want to be directly quoted, with the exception that direct quotations will be given out by Steve in writing. Of course that makes that perfectly clear.

Then there are two other matters we will talk about: The first is "background information", which means material which can be used by all of you on your own authority and responsibility and must not be attributed to the White House, because I don't want to have to revive the Ananias Club. (Laughter)

Then the second thing is the "off the record" information which means, of course, confidential

information which is given only to those who attend the conference. Now there is one thing I want to say right now on which I think you will go along with me. I want to ask you not to repeat this "off the record" confidential information either to your own editors or associates who are not here because there is always the danger that while you people may not violate the rule, somebody may forget to say, "This is off the record and confidential", and the other party may use it in a story. That is to say, it is not to be used and not to be told to those fellows who happen not to come around to the conference. In other words, this is only for those present.

Now, as to news, I don't think there is any.

(Laughter)

Steve reminds me that I have just signed the application for Associate Membership in the Press Club, which I am very happy to do.

Q Will you go to Congress or send your message?

THE PRESIDENT: Send it.

Q When will it be available here for us?

THE PRESIDENT: Judging by the fact that I haven't started to write it, I should say at the very last minute possible. I shall let you have it as soon as I can.

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Of course it will be for release when transmitted.
I doubt very much if you will get it very much more
than half an hour before it is taken to the Capitol.

Q Will it be brief?

THE PRESIDENT: The situation demands brevity.

Q On the Hill they say you only recommend emergency stuff
and that Congress will possibly adjourn next Monday
or earlier and reconvene a short time after and take
up permanent stuff as well as your complete program.
Is that your idea of it?

THE PRESIDENT: I hope I can put it this way -- and this
comes under the second category -- "background
information" and "not off the record" because there
is no reason why you should not use it in writing your
stories. The general thought at the present time is
that it is absolutely impossible by tomorrow to draft
any complete or permanent legislation either on
banking or on budget balancing or on anything else,
because the situation, as you all know, is changing
very much from day to day, so much so that if I were
to ask for any specific and detailed legislation it
might be that the details will have to be changed by
a week from today and therefore it is necessary --
I think you can make a pretty good guess -- that I
shall have to ask for fairly broad powers in regard

to banking -- such powers that would make it possible to meet the changing situation from day to day in different parts of the country. We cannot write a permanent banking act for the nation in three days. That is about the size of it.

Q Do you favor national scrip or scrip issued by clearing houses?

THE PRESIDENT: Well, there again you are getting down to details and a very good illustration of why you cannot ask for too detailed legislation. About Monday, the day before yesterday, a very, very wide use of scrip seemed necessary and by last night it looked possible to avoid such a general use of scrip. But it does not mean that scrip will be eliminated by any means. Scrip may be used in many localities pending the working out of a sounder plan and more permanent plan to get additional currency into use. Now, I can't tell you any more about that, because we are still working on the details, but essentially it means an addition to the available currency.

Q Could you comment on the report that no additional legislation is needed for the printing of additional currency; that a rider attached to the Home Loan Bank Bill provides for expansion to the extent of at least one and a half billion and that these Federal Reserve Bank notes are already being printed?

THE PRESIDENT: Frankly I don't know. I am inclined to think -- and this answer is off the record because it is just a thought on my part -- that separate legislation ought to be given on that instead of relying on some obscure clause in the Home Loan Bill. In other words, we want everything out on the table.

Q You mentioned in your greetings to the Governors on Monday that you favored a unified banking system. Is that in your emergency plan?

THE PRESIDENT: That wasn't quite the way I put it to them. What I said to them was that it was necessary to treat the state and national banks the same way in this emergency so there would not be two different classes of banks in this country, and the other thing I said was to try to avoid forty-eight different plans of putting this into effect.

Q Do I understand you are going to keep hold of this banking situation until permanent legislation is enacted?

THE PRESIDENT: Off the record answer, yes.

Q Your idea is that after getting through the emergency you may get a breathing spell until the permanent program is in form.

THE PRESIDENT: Yes, I was coming to that. This is what

might be called the "present thought" because everything is subject to change these days within twenty-four or twelve hours. The general thought is that we would try to get through the two or three emergency matters as quickly as possible, and that then -- and, mind you, I haven't talked even to the Congressional leaders about this, so it only comes through this end of it; there is no agreement on it, but I am going to have a talk with them this afternoon and then Congress should recess for I don't know how long a time, but not very long -- for a matter of two or three weeks to enable me to work out and draft more permanent legislation.

Q Mr. President, can you tell us, please, whether this suggestion of bills to be used in Postal Savings accounts for checking purposes is being considered?

THE PRESIDENT: I think the Secretary of the Treasury is examining into it. I don't know.

Q What is going to happen after Thursday night, Mr. President, when the holiday ends? Are you going to call another one?

THE PRESIDENT: That depends on how fast things move.

Q Depending on what Congress does too?

THE PRESIDENT: (Nods) Of course, undoubtedly there are necessary in regard to certain phases of the financial situation some form of additional proclamations.

That means, for example, the question of control of gold. That is obvious. As long as nobody asks me whether we are off the gold standard or gold basis, that is all right, because nobody knows what the gold basis or gold standard really is. If you want a definition of the gold standard, read my friend Robey's story in the New York Evening Post of last night. I think it is about as good a definition as there is. It is quite short and if you would like to hear it, I will read it to you. It is a pretty good document.

AUDIENCE: If it really tells us what the gold standard is --

THE PRESIDENT: It is pretty good. It doesn't say whether we are on or off it.

Declaration of the national moratorium has raised the question in many minds as to what constitutes a gold standard. More specifically many people have wondered whether the United States by this action has suspended the gold standard in a true sense. The Treasury officials and some of the bankers maintain that we have not. Obviously, the answer to the question rests upon one's conception of what it is necessary for a country to do in order to maintain a metal standard.

This is a problem which can be answered with definiteness. Over a long period four things have come to be recognized as requisites of a gold standard. When a country is complying with these it is on the standard. When it does not it is off the standard.

The first of these requisites is that there shall be a coin of definite weight and fineness. This, of course, is established by law. In the United States the standard unit is the dollar, consisting of 25.8 grains, 9-10 fine, or 23.22 grains of pure gold.

Well, of course on that first requisite we are on the gold standard.

The second requisite is that there be free and unlimited coinage. In a country upon a gold standard one may take any amount of the metal to the Government and it will be coined into dollars of the established weight or rate. Whether a brassage charge is made is of no significance. Put in other words, this means that the Government will buy gold at a set price. In the United States this is about \$20.67 an ounce.

Well, we are still on the gold standard, and the more people who bring gold to have it made into money the better.

The third requisite is that there be convertibility of paper money into gold. This, in a sense, is the reverse side of free and unlimited coinage. In other words, just as one can take any amount of gold metal to the mint and get money in return at a definite rate, so he can take any amount of currency and get gold at a definite rate. In the United States we have seven kinds of paper money, some of which are not directly redeemable in gold according to the law but all of which under the gold standard act of 1900 must be kept at a par with gold.

Well, you can draw your own conclusions as to that.

The final requisite is that there must be free movement of gold. This is of significance in the exportation of gold. It is through the enjoyment of this freedom that the currency of one country is kept at an approximate equilibrium with the currency of other nations. Only when

there is not such freedom of import and export of gold does the currency of one country fall to any substantial discount in relation to another currency.

Well, of course on that question of the foreign trade in gold, for a good long time as a matter of actual fact the United States has been the only country on the gold standard. France has been theoretically on a gold standard, but nobody in France can go and take a bill to the bank and get gold for it and as far as imports and exports go in France, it has been government controlled. The same thing holds true in Switzerland and Holland and it is only up to last Sunday night that we have had free trade in gold, and now we haven't.

Q Shall we get ready to revive the term of "Controlled inflation?"

THE PRESIDENT: I wish somebody would invent a new term. I don't know what it is.

Q May I ask if the long-time settlement of the banking situation is inter-meshed with the world economic conference?

THE PRESIDENT: I should say on that -- background information -- so far as banks go within the United States, no. So far as international exchange goes, yes. I think that is the easiest way of putting it. In other words, the opening of banks and the maintaining

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of banks once they are opened is not connected with the world economic conference.

Q In your inaugural address, in which you only touched upon things, you said you are for sound and adequate --

THE PRESIDENT: I put it the other way around. I said "adequate but sound."

Q Now that you have more time, can you define what that is?

THE PRESIDENT: No. (Laughter). In other words -- and I should call this "off the record" information -- you cannot define the thing too closely one way or the other. On Friday afternoon last we undoubtedly didn't have adequate currency. No question about that. There wasn't enough circulating money to go around.

Q I believe that. (Laughter).

THE PRESIDENT: We hope that when the banks reopen a great deal of the currency that was withdrawn for one purpose or another will find its way back. We have got to provide an adequate currency. Last Friday we would have had to provide it in the form of scrip and probably some additional issues of Federal Bank notes. If things go along as we hope they will, the use of scrip can be very greatly curtailed and the amounts of new Federal Bank issues we hope can be also limited to a very great extent. In other words, what you are coming

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to now really is a managed currency, the adequateness of which will depend on the conditions of the moment. It may expand one week and it may contract another week. That part is all off the record.

Q Can we use that part -- managed?

THE PRESIDENT: No, I think not.

Q That is a pretty good substitute for "controlled".

THE PRESIDENT: Go and ask Will Woodin about it.

Q He's too busy. (Laughter)

Q Now you came down to adequacy, but you haven't defined what you think is sound, or don't you want to define that now?

THE PRESIDENT: I don't want to define "sound" now.

In other words, in its essence -- this is entirely off the record -- in its essence we must not put the Government any further in debt. Now, the real mark of delineation between sound and unsound is when the government starts to pay its bills by starting printing presses. That is about the size of it.

Q Couldn't you take that out and give it to us. That's a very good thing at this time.

THE PRESIDENT: I don't think so. There may be some talk about it tomorrow.

Q When you speak of a managed currency, do you speak of a temporary proposition or a permanent system?

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THE PRESIDENT: It ought to be part of the permanent system -- that is off the record -- it ought to be part of the permanent system so we don't run into this thing again.

Q Mr. President, you said there would be two or three other subjects considered at this special session of Congress?

THE PRESIDENT: There are going to be surprises.

Q Will those subjects be mentioned in your message?

THE PRESIDENT: I don't know. I don't know whether in the first message or not. There might be another one.

Q Reorganization will be taken up first?

THE PRESIDENT: Yes.

Q Can you tell us anything about guaranteeing of bank deposits?

THE PRESIDENT: I can tell you as to guaranteeing bank deposits my own views and I think those of the old administration. It is that the general underlying thought behind the use of the word "guarantee" with respect to bank deposits is that you guarantee bad banks as well as good banks and the minute the government starts to do that the government runs into a probable loss. I will give you an example.

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Suppose there are three banks in town, one is 100% capable of working out, one fifty per cent and another ten per cent. Now, if the Government puts a 100% guarantee, it will lose 50% on one and 90% on the other. If you put on a 50% guarantee, it will lose nothing on the first and second, but will lose a lot on the 10% solvent bank. Any form of general guarantee means a definite loss to the government and the whole objective in the plan that we are working on can be best stated this way: There are undoubtedly some banks that are not going to pay one hundred cents on the dollar. We all know it is better to have that loss taken than to jeopardize the credit of the United States Government or to put the United States Government further in debt, and, therefore, the one objective is going to be to keep the loss in the individual banks down to a minimum, endeavoring to get 100% on them, but not having the United States Government liable for the mistakes and errors of individual banks and not putting a premium in the future on unsound banking.

Q That is off the record?

THE PRESIDENT: Yes.

Q Couldn't you make it the background. There is a demand for the guarantee proposition.

THE PRESIDENT: I know, but the reason -- As long as you don't write stories to give the average depositor any thought that their own particular bank isn't going to pay. That is what I want to avoid because when you come down to it, the great majority of banks are going to pay up. Then there will be another very large volume of banks which won't pay out the whole thing immediately, but will pay out 100% in time and there will be a very small number of banks that will probably have to go to the Examiner, but I don't want anybody to get the idea in reading the stories that the average bank isn't going to pay one hundred cents on the dollar, because the average bank is going to pay.

Q For such banks as must go, isn't Senator Glass' liquidating corporation, whereby the liquidation of good assets help to put off the bad effects ----

THE PRESIDENT: I don't know enough about that. Did it go through?

Q Through the Senate.

THE PRESIDENT: That is in the Glass Bill?

Q Yes, sir.

Q You do have in mind guaranteeing deposits of banks on the new basis?

THE PRESIDENT: No; no government guarantee.

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Q You would have to have that guarantee under the new banking system.

THE PRESIDENT: There would have to be a guarantee?

Oh, no. The government isn't going to guarantee any banks.

Q How about the insurance of bank deposits ---

THE PRESIDENT: Haven't touched that.

Q Anything on this Cotton Bill they have been talking about -- trying to get signed now?

THE PRESIDENT: I haven't had time. I have a couple of briefs here on my desk and haven't read them yet.

Q Since you have been President, have you any additional views on reorganization?

THE PRESIDENT: Reorganization of the Government?

Q Yes, sir.

THE PRESIDENT: Except that it has got to proceed as fast as the law will let us. Still agree with what I thought several months ago.

Q Do you know anything about Woodcock ordering the speak-easies not to be raided any more?

THE PRESIDENT: Never heard about it.

(Photos)

The Conference adjourned at 10:45 A.M.)

CONFIDENTIAL

Press Conference #3

At the Executive Offices of the White House,
March 15, 1933 - 10.25 AM

THE PRESIDENT: Sorry to keep you waiting, but the Secretary of the Treasury was over, as usual, this morning.

Q You are kept busy.

THE PRESIDENT: The Japanese Admiral is coming to see me this morning. Steve will tell you all about him.

Q Are we going to have a war? (Laughter)

THE PRESIDENT: I haven't any real news, but suppose you would like to have me talk a little bit about the two other measures. Entirely just for background, the general thought has been this: That if we can get through the three measures -- banking economics, the economy bill and the beer bill -- those are all perfectly obvious and speak for themselves -- but we won't have done anything on the constructive side unless you consider the beer bill partially constructive.

There are two other matters that I would very much like to get started while the Congress is here -- both of them constructive. The first is a definite effort to put people to work. And the way I would put it is

this: Like all very big projects, it is in a sense experimental, therefore we don't want to launch it on too big a scale until we know how practical it is. Probably I will send up a message. I can't tell you the exact date, but tomorrow if everything goes well.

The idea is to put people to work in the national forests and on other government and state properties on work which would not otherwise be done; in other words, work that does not conflict with existing so-called public works. I cannot give you the details of it. All I can tell you is that I am working with the Director of the Budget now to see if we cannot keep the appropriation for it -- for new money -- down as low as we possibly can. We think we can pay for a large part of it out of unexpended balances -- money heretofore appropriated for other purposes, which would be a very distinct help to the Treasury.

Then the other measure is not only a constructive measure but if it does not go through at this time, as well it might ~~stixx~~ wait until next Winter. That is the effort to increase the value of farm products. The reason for haste on that is perfectly obvious, for if we defer consideration of it until April we probably

would not get through until May or the end of April any way, and a large part of the crops would already be in the ground. If we are going to have it apply to this year's crops, it ought to be put through immediately. Again I cannot tell you the details of it because they are still working on it.

Q Does that include the principal crops?

THE PRESIDENT: I think, entirely off the record, it will be somewhat along the lines of leasing and certain features of the Smith cotton bill.

Q Leasing? You mean taking marginal land out of the production column?

THE PRESIDENT: Yes, for the reduction of acreage.

Q Would it apply to all crops, Mr. President?

THE PRESIDENT: I can't tell you that because I cannot remember all the names in it, but there are an awful lot of them.

Q Most of them?

THE PRESIDENT: Almost everything.

Q Have they given up the idea of a bond issue on unemployment?

THE PRESIDENT: I can't tell you intelligently because we haven't our figures yet on how much we can expect from unexpended balances.

Q Do you retain any of the principles of the domestic allotment plan?

THE PRESIDENT: Some of the features but not the principles.

Q How are the funds going to be raised?

THE PRESIDENT: There again I can't give you any details.

I guess through some form of excise tax.

Q Anything --- In plans for putting people to work, does that include a vast public works program?

THE PRESIDENT: I knew you were going to ask me that question and I am not ready to answer it yet, for this reason: This is entirely off the record. There are quite a lot of other people who would like to see the bill made an all-inclusive bill; in other words, after a big public works program, after the Wagner Bill that failed in the last Session, or a modification of it along the La Follette-Costigan lines. I don't know yet whether the bill would be made all inclusive or whether it would be confined principally to this main thought of putting people to work on natural resources.

Q Isn't it the program of the Administration to put through that Wagner Bill for unemployment relief?

THE PRESIDENT: There is enough money in the R.F.C. on direct aid for municipalities to last until May, therefore it is a grave question as to whether that is the kind of emer-

gency that ought to keep the Congress here.

- Q How about Muscle Shoals, Mr. President? Would that be included in this plan, or will it be left until later on?

THE PRESIDENT: I don't know. We are in the middle of a survey now as to where to put the men to work first.

- Q How many men would be used on the forestry plan?

THE PRESIDENT: On the National forests, the Forestry Bureau says two hundred thousand men.

- Q What do you mean by the National forests? What are the National forests?

THE PRESIDENT: You know a lot more about that than I do. There is the Shenandoah Forest, the Big Smoky; there is quite a lot of Federal land in Pennsylvania, some in New Hampshire and, of course, there is a very large acreage out west.

- Q What do they do, cut down trees or plant trees?

THE PRESIDENT: You are as bad as Mr. Hyde. (Laughter)

We have to have another class here on it. The easiest way to explain it is this: Taking it all through the East where, of course, the unemployment is relatively the worst with far more people, nearly all of the so-called forest land owned by the Government is second,

third or fourth growth land -- what we call scrub growth which has grown up on it. What does that consist of? Probably an average of four or five thousand trees to the acre; little bits of trees, saplings and so forth.

Proper forestation is not possible; in other words, you will never get a marketable timber growth on that kind of land -- plenty of cordwood and that is about all.

But the timber supply, the lumber supply of the country, at the present rate of cutting we are using lumber somewhere around three to four times the rate of the annual growth. In other words, we are rapidly coming to an end of the natural lumber resources and the end is within sight and, unless something is done about it, we will become a very large lumber importing nation, the figures showing that it will be from 20 to 40 years when that will come about.

Now, take this second, third, fourth growth land. Put men in there. Say there are five thousand of these saplings to the acre. Go in and cut out four thousand and leave one thousand. They go in there and take out the crooked trees, the dead trees, the bushes and stuff like that that has no value as lumber, and leave approximately one thousand trees to the acre. That means that

they are sufficiently spaced to get plenty of light and air and there is not too much of a strain on the soil. Those trees then eventually will become a very valuable lumber crop.

That is the simplest way of explaining the operations so far as the trees themselves go.

Then, in addition to that, one of our great difficulties all over the country is with fire, and these men will be put to work in building fire breaks. Well, a fire break is merely an operation of cutting a thirty or forty foot swath through the forest and plowing it up, raking all the leaves and everything possible away from that strip and keeping it clear. Thus, from that time on, the regular forest rangers and fire protection people, in their tours, will have a great deal better chance of limiting any fire that breaks out, limiting it to a small area.

Q How long will that work keep these 200,000 men occupied?

Is it a long process?

THE PRESIDENT: I think Bob Wagner got the letter on that from the Forestry Bureau about six weeks or two months ago. It is certainly over a year and probably over a good deal longer than that.

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Q Do you have in mind putting 200,000 men on the Federal payroll a year? It would mean a tremendous amount of money.

THE PRESIDENT: You will have to wait until you see the bill.

Q Is it planned to have camps and housing people and the Government to feed them and house them for a dollar a day or something like that?

THE PRESIDENT: I can't go into that.

Q Even at a dollar a day for a year that is enormous. I haven't figured it, but I can see it will run into many millions of dollars. I figured where you would need a half a billion or one billion and spend it on this one item.

THE PRESIDENT: Just for background, speaking on that by way of explanation, these people would be people who are today on the dole. They are performing no useful work. Those are the only people we would take -- people performing absolutely no work at all and just being barely supported by communities and states.

Q Then you could have the states share in the burden of the expenditures, couldn't you?

THE PRESIDENT: It is as short as it is long. What is the difference between the Government doing that directly

or turning money over to the states?

Q How soon do you think you can get them to work?

THE PRESIDENT: Three or four weeks -- that is, start getting them to work.

Q About 75% of the national forests are in the far West. That would involve a movement from the centers of population for the men to be put to work in those forests. Is that contemplated?

THE PRESIDENT: Haven't got to that yet. Can't tell you.

Q They have walked further than that already.

Q Do you want those bills to go through before the recess?

THE PRESIDENT: Yes.

Q They will probably take a week?

THE PRESIDENT: Yes.

Q Any other kind of public works or some other kind of public work that might be done by these men on roads or something like that?

THE PRESIDENT: I will only go as far as forestry in the beginning and not mix it up with any other things.

Q Any plan for a bond issue to be secured by the forests themselves or anything of that sort?

THE PRESIDENT: No.

Q Will this farm bill precede the unemployment bill?

THE PRESIDENT: I don't know; I haven't got to that yet or the time of sending the message up. Then, of course, there is another element in what Ernest Lindley asked about paying these people. It will help to relieve their own families. If a family man is taken, he will probably send a large part of it back home and that relieves the community too.

Q His wife won't have to support him while he is in the camp.

Q Mr. President, are you able to announce the Ambassador to Germany yet?

THE PRESIDENT: No.

Q Could you tell us what you talked to Mr. Bullitt about?

THE PRESIDENT: I haven't talked to him. He is going to talk to me in about five minutes.

Q You said that some of the features but not the principles of the allotment plan will be in the farm program. Does that mean that the allotment plan picture is abandoned?

THE PRESIDENT: I should say, by way of background, yes.

Q Can you tell us anything about Mr. Norman Davis?

THE PRESIDENT: Just going on with his work, that is all.

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He is going to leave the end of this week.

Q What about arms embargo?

THE PRESIDENT: I think that is sufficiently explained.

I am going to ask for it; when, I don't know.

Q I understand that some of the features of this farm credit bill will be presented to the international economic conference to make it international, putting this country on the same basis.

THE PRESIDENT: No, I think the only thing on that is this: There are certain crops like wheat where the world surplus is comparatively small. It is only from 10 to 15 per cent. Therefore, if the wheat producing nations can reduce pro rata to that extent, it will help very much to solve the world price of wheat -- raise the world price of wheat as well as raising our own price of wheat and, of course, obviously if we can raise the world wheat price to a proper level, the need for continuing with an acreage reducing plan in this country would not be as great. You would not have to keep on reducing -- you would just have to hold the gain you made.

Now, the wheat producing nations besides ourselves -- the surplus producing nations are Canada, Australia,

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Argentina, Russia and the Balkans.

I think you can say -- I shall say this entirely off the record -- but Russia is today probably, so far ^{we} as we know, not in a position to do very much wheat exporting. They need their own wheat.

The last wheat conference in 1929 -- somewhere along that, 1928 or 1929 -- failed largely because we, the United States, would not go along with any effort to reduce our own surplus production. Yet today we will take the first step looking towards world surplus reduction. And if Canada, Australia, Argentina and the Balkans go along with that, we have got the possibility of an international agreement to cut the world wheat surplus and in that way it forms the basis for at least a possible practical step in world economics.

Q It will be brought out at this economic conference, won't it, or at some further conference?

THE PRESIDENT: It is on the agenda or it might be brought up ahead of it to get it out of the way.

Q Has it been taken up diplomatically already?

THE PRESIDENT: I should say it has been taken up wholly unofficially so far. Right, Steve?

MR. EARLY: Right, sir.

Q Can we use this?

THE PRESIDENT: For background it is all right.

Q Is it permanent legislation?

THE PRESIDENT: No. Obviously a farm bill is in the nature of an experiment. We all recognize that. My position toward farm legislation is that we ought to try to do something to increase the value of farm products and if the darn thing doesn't work, we can say so quite frankly, but at least try it.

Q Aren't there other crops where the same sort of an agreement could be reached.

THE PRESIDENT: Yes, very distinctly.

Q Have those --

THE PRESIDENT: Haven't been explored yet.

Q Is Russia to attend the World Economic Parley?

THE PRESIDENT: I don't know.

Q What I was wondering about is this: If all the nations agreed on production, wouldn't it be essential for Russia to come in?

THE PRESIDENT: Frankly, I don't know. Does anybody know whether Russia signed up on the World Economic Conference?

Q Yes, sir; they have.

Q Does this farm bill contain features of the Smith Cotton Bill?

THE PRESIDENT: In relation to cotton, yes.

Q Inasmuch as it also pertains to features of the acreage allotment plan, would you call it a composite of those three plans -- acreage, leasing and Smith Cotton Bill?

THE PRESIDENT: No, I would not call it a composite of them. We haven't got the bill finally drafted yet, but the theory is that on the actual practice and use of methods it allows a pretty wide latitude to the administration to vary the methods. In other words, it does not say that we have got to apply a hard and fast method to all crops. The application will probably vary in accordance with different crops.

Q A choice between three alternatives?

THE PRESIDENT: No, It isn't that. The leasing principle is the basic principle.

Q Have international gold payments been resumed?

THE PRESIDENT: No.

Q Do you want to say anything about the bank situation, Mr. President? It seems to be working very well.

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THE PRESIDENT: Except, off the record, that there is one fellow responsible for its working so well and that is Bill Woodin. He has done a perfectly grand job and has been up day and night, literally. It is really wonderful the way Bill came down here and took hold of a thing he had never had any experience at before and I think what he has done would be a credit to anybody.

Q He certainly has but we would like you to tell us more about it one of these days.

Q How much money is involved in these bills?

THE PRESIDENT: I don't know. By the way, what time did they (Congress) adjourn last night?

Q Ten twenty.

Q Have you had any report from the Justice Department on how many men they would catch in this --

THE PRESIDENT: No. (Laughter)

Q Will you tell us why the allotment plan was abandoned?

THE PRESIDENT: I think -- background -- that the chief reason is that the farm organizations as a whole thought the other method was more workable and a better plan to base our experiment on.

Q You made it plain that this is an experiment. Do you mean to say that it is not intended to be permanent? Do you

mean that conditions will improve and you will have permanent legislation after that?

THE PRESIDENT: It is too speculative for that.

MR. STORM: That ^{nk}you, Mr. President.

(Ended 10.48 A.M.)

CONFIDENTIAL
Press Conference #7
White House Executive Offices,
March 29th, 1933, 10.28 A.M.

Q What type of organization are you going to set up to mobilize the unemployed on this forestation program?

THE PRESIDENT: I cannot tell you anything definite yet. Probably I will have to have somebody to act as director of the whole works, but that means, of course, that he will have to work through existing Federal agencies. For instance, on the initial enrollment, it will be the Department of Labor plus Army facilities, such as trucks and things like that. Then the actual taking in of the men to camp and maintaining them at camp will be an Army feature and the actual work supervision - the supervision of the work will be either an Interior problem or an Agriculture problem, one or the other.

Q Or both.

THE PRESIDENT: Or both.

Q Will that mean concentration camps?

THE PRESIDENT: Do not use that word. It sounds too much like that which some of us older people remember as used in the Cuban episode of 1907 and 1903. I do not know what you could call them. They are merely way-stations to be used on the way to the camps, at which the boys will be properly treated, outfitted and given a complete medical examination. That is about all.

Q Why not call them cantonments?

THE PRESIDENT: Well, a cantonment has a more permanent sound. I hope that we can keep them there just as short a time as possible. The

Army, in talking in a preliminary way, says two weeks. I think that is much too long. I think we could keep them in camp a maximum of one week, which would be quite enough. It saves money to keep them out on the job as long as we can.

Q How soon do you think we can get them out, Mr. President?

THE PRESIDENT: I should think we can get the first people enrolled within two weeks after the passage of the bill. That means they probably could not get to camp until three weeks. Of course, we cannot start off with 250,000 at one time. That will take quite a while.

Q What is new, Mr. President?

THE PRESIDENT: I have something about the Securities Bill today. I dictated the message just before I left the White House and it has not gone up yet. There are copies out there. The general idea is that it does provide publicity rather than any guaranty to the investing public. What we want to avoid is having the public think that an issue of securities which has been filed, or the facts on which have been filed with the Department, and where a license has been issued, is necessarily a good investment. Of course, that is not so at all.

Well, the simplest example is this: If a company is organized to develop a gold mine and they have got what they and the engineers honestly believe to be a perfectly good speculation and it is not over-capitalized, there is no reason why they should not get a license to operate provided it is said to the public that it is, like most gold mining operations, a speculative venture. Of course,

it must be started in good faith. In other words, what we are trying to do is to get the kind of publicity information as to each issue before the investing public so that, if they then invest, they will know at least that the representations that have been made to them are true.

What I am saying to Congress in the message - I don't suppose you will use any of this before it actually goes to Congress - is that it applies the new doctrine of caveat vendor in place of the old doctrine of caveat emptor. In other words, "let the seller beware as well as the buyer." In other words, there is a definite, positive burden on the seller for the first time to tell the truth.

Q You speak of licensing arrangements. Who will govern that?

THE PRESIDENT: You will have to read the bill because it is thirty pages long. I tried to cut it down but found it impossible.

Q Will we have to get it here or up at Congress?

THE PRESIDENT: There is one copy here and two copies there. You will have to wait until they are printed. Steve, see if you cannot get a Rexco, get hold of that bill and try to make a short summary of it.

MR. EARLY: It is 35 pages long.

Q Try to put it in 100 words. (Laughter)

THE PRESIDENT: Can you put it in 100 words, Steve?

MR. EARLY: It is very technical. There is one copy of it here and that has got to go with the message.

THE PRESIDENT: I think there are two up there already. Huston Thompson took two up yesterday.

Q Does this bill complete the program or is there more to come?

THE PRESIDENT: What we are trying to do, among other things, is to carry out the Democratic platform and the big objective is to restore the old idea that a person who uses other people's money is doing so in a fiduciary capacity. That applies whether he is a dealer in new securities or whether he is a dealer in old securities. The same thing applies to commodities. In other words, a person who works in an exchange, either stock or commodity exchange, is acting as the agent for other people so that he is acting in a fiduciary capacity.

This particular message only takes up one phase and that is the issuing of new securities. Then the other phases might be described. You can say that there are three other phases: The first is the regulation or supervision - you had better call it the latter - of the buying and selling of securities and commodities. That we are not ready on. We are working on it and it will probably take another week or ten days. Of course, there are all sorts of complications and I think the Fletcher committee is also working on that phase of it. They may have to do some more looking into the problems and analyzing them from the standpoint of the information they are gathering through the hearings.

Then the third phase would relate to the fiduciary position of directors and officers of corporations and their subsidiaries. That would be just to restore the old -- I was going to say the old Biblical rule, but I don't think they had corporations in

those days, but it amounts to that. The idea is that they are trustees for the stockholders.

The fourth phase primarily relates to banking. That takes up the question of affiliates and the separation of investment buying and selling from banking and separation of commercial banking from trust banking, and it also covers the matter of private banking affairs, bringing them in under the same rule that governs public banks and things of that kind.

Well, we are working on all that and we are not ready yet; it will take another ten days.

Q Is it contemplated, do you know, to force the exchanges to incorporate?

THE PRESIDENT: I don't know. I have not had any conference on that.

Q I notice one of the papers hinted that Samuel Untermyer was commissioned by you to draw up --

THE PRESIDENT: He has been working two or three months but, for that matter, half a dozen people have been doing that.

Q Do you propose to put this whole program before this session of Congress?

THE PRESIDENT: It might take too long on part of it to get it all in. It is a very complicated thing.

Q I wonder if you are in a position to say now what you are going to do about the public building program.

THE PRESIDENT: That will not come up until after the departmental savings are taken up. I will probably have a story for you on that by the end of the week. In other words, the immediate

savings fall, roughly, under three heads: One, the Veterans' Administration, the other the Civil Service and the third the reorganization of Government departments and cutting out of functions.

I think probably you will have that some time Saturday or Sunday.

Q Is it too early to say whether or not you contemplate that --

THE PRESIDENT: Then, after we get that done, we will take up Public Works.

Q Mr. President, there is some talk that flood control money may be used in the unexpended balances.

THE PRESIDENT: No; we won't use any of this unemployment money on authorized flood control work.

Q I mean, the unexpended balances in the Treasury may be used in the forest work and taken away from the flood control. I don't suppose you have any such idea.

THE PRESIDENT: I would have to ask Lew Douglas, because some of it has got to be re-appropriated by the next Congress. It was re-authorized by the bill passed yesterday but it has got to be re-appropriated.

Q There are 25 millions of the 39 millions appropriated from the last Congress. They say, down to the War Department, that they do not know whether that is going to be diverted to reforestation, or continued by letting new contracts on water-ways. For example, on the Missouri, we have 15 thousand people working.

THE PRESIDENT: Yes. I cannot tell you about any individual project. I would have to ask Lew Douglas.

Q How is your railroad program coming along?

THE PRESIDENT: Oh, I hope next week. There again, it is one of those things that is terribly complicated and you have to have groups working on it.

Q Have you settled on a coordinator, if that is the idea?

THE PRESIDENT: No. You mean on whether we will have a coordinator? I think you can make a pretty good guess because there will be a Federal coordinator. The chances are that there will be one man with regional men under him.

Q May we turn to the foreign field for a moment --

THE PRESIDENT: Incidentally, on the railroad thing, we see no reason why there should be any expense on the Federal Government, because the coordinator and his staff will be just as small as we can possibly make them and will be a charge on the railroads.

Q Will they be Federal officials?

THE PRESIDENT: I don't know -- oh, yes; Federal officials. I don't know what the methods are here, but, for instance, in the State of New York, the cost of the Banking Department is paid for by the banks and the cost of the Insurance Department is paid for by the insurance companies. In other words, at the beginning of the year or the end of the year, they figure out how much the total cost of the Department is and they allocate that to the various companies that are inspected. It is my idea, if it is possible under the Federal law to do it, to do something like that with respect to the railroads. It will not be an expensive operation on the part of the Federal Government, therefore, and it will

cost the railroads very little.

Q Therefore the Government will not assume any operating losses or guarantee bonds or interest on bonds?

THE PRESIDENT: I hope not.

Q What will be the purpose of the coordinator?

THE PRESIDENT: To cut out duplications, is the easiest way of putting it.

Q Is it to be a coordinator on railroads alone or with respect to all transportation?

THE PRESIDENT: I don't know; we haven't got as far as that yet. Eventually, as you know, we hope to tie in all transportation under the same Government supervision.

Q Will you have the emergency bill first and then the long-time proposition to come up?

THE PRESIDENT: I don't know; I haven't got to that yet.

Q Would you care to comment on the local stories about the changes in the I. C. C. and Federal Trade Commission? There have been stories that they may be abolished.

THE PRESIDENT: Yes; they won't be abolished. That is a pretty good guess.

Q To get started on foreign affairs for a moment. I understand that the Senate Foreign Relations Committee has taken action on the American adherence to the World Court. Is it your desire, can you tell us whether you want the Senate to act at this session?

THE PRESIDENT: Not even off the record. You can make a guess.

Q Getting back to that railroad question, will your plan require legislation?

THE PRESIDENT: Yes, undoubtedly. In other words, we are still working on principles and haven't got to the details as yet.

Q Will the coordinator be a railroad man?

THE PRESIDENT: I have not thought of that.

Q How about the veterans' regulations that are due some time this week?

THE PRESIDENT: The veterans' regulations have been drafted and the Director of the Budget and General Hines are giving a chance to the veterans' organizations to come in and look them over and make suggestions.

Q Is that going on now?

THE PRESIDENT: That is going on now.

Q Do they, in any case, curtail the benefits paid to directly service-connected disabilities?

THE PRESIDENT: I cannot tell you. I don't think they do. I think there is a percentage provision in the bill.

(The conference adjourned at 10.40 P.M.)

CONFIDENTIAL
Press Conference #10
White House Executive Offices,
April 7th, 1933 - 4 o'clock P.M.

THE PRESIDENT: I understand that in some mysterious and subterranean way you got a suggestion that Frank Murphy is going as Governor to the Philippines. I guess you are right.

Q Frank Murphy of Detroit?

THE PRESIDENT: Yes, Mayor of Detroit.

Q When will he go?

THE PRESIDENT: I have not sent - I don't think I have sent the nomination yet. It will go up Monday.

Q Does that mean that Homer Cummings will stay as Attorney General?

THE PRESIDENT: Yes.

Q When will he go?

THE PRESIDENT: And then somebody guessed that Chip Robert is going in as Assistant Secretary of the Treasury. That is right too.

I cannot tell you anything about diplomatic appointments because there are two or three on the way and we have not heard from the foreign countries as yet.

Q Is Germany on the way?

THE PRESIDENT: No.

Q Have you anything to say about the people in Michigan and Wisconsin sustaining the prohibition repeal according to the Democratic platform?

THE PRESIDENT: What do you think? (Laughter)

Q Mr. President, can you give us your point of view on this thirty-hour week legislation?

THE PRESIDENT: All I can tell you on that at the present time is that I am trying to find out what the effect will be. Miss Perkins is having a special study made and so is the Secretary of Commerce, and we are going to check it over, over the week-end. Then probably either Miss Perkins or Mr. Roper will go up and talk it over with the Committee in the House. That is far as we got.

Q Does that include the proposed amendment for barring all importations that are not manufactured on the thirty-hour basis?

THE PRESIDENT: That was not adopted, was it?

Q No, sir; it failed, but it is in the Connery bill which is supposed to be substituted for the other bill.

THE PRESIDENT: We have not mentioned that at all. I suppose they will look into that phase of it.

Q Can you tell us what your plans are for these conversations you are going to have with Ramsay MacDonald and the other European statesmen?

THE PRESIDENT: Not yet.

Q After you have had a series of conferences with the different Ambassadors --

THE PRESIDENT: As a matter of fact, so far as I am concerned, they will be very informal, so much so that it will be very difficult to write about them.

Q Oh! (Laughter) We will have to write a lot then. (Laughter)

Q Are you going to sit around a table and discuss it with all of them?

THE PRESIDENT: No.

Q Just individually?

THE PRESIDENT: Yes.

Q Does that include Canadian negotiations?

THE PRESIDENT: I would not put it that way. Don't say those "negotiations". Now, this stuff is off the record. I think I had best give you some idea of the way it is being handled. As we are going along, the State Department is discussing various phases, let us say with England, then they will discuss it

among themselves and then possibly some others will discuss it with France. Thus, there won't be any gathering or anything that you can call "those negotiations". There won't be any general conference. It will be selective in its treatment - I think that is the correct word.

Q Has any consideration been given to financing public works by a popular construction bond issue?

THE PRESIDENT: No, we have not got to that yet.

Q You have got your bill ready for reciprocal tariff, have you not?

THE PRESIDENT: No.

Q There is a story in that connection this afternoon in the Times that a 10% cut is on your program.

THE PRESIDENT: I heard of it.

Q There is some discussion that you have some sort of proposition by which Cuba can send in 10% of the amount of sugar at a reduced rate and the other 90% will be at the present rate. Wouldn't that be a good way to solve that problem?

THE PRESIDENT: I suppose there have been an average of fifteen plans sent in a day. That would come under the category of one of the different plans. We have not

got down to a discussion of the different plans....

Q Is Russia to be received in the economic discussions?

THE PRESIDENT: (The President gave a negative response by shaking his head)

Q Can you tell us something about the Food and Drug Acts that Mr. Tugwell was supposedly working on?

THE PRESIDENT: I don't know any of the details.. Rex Tugwell talked to me about two or three weeks ago when he first went on duty and said that in his judgment there ought to be a very definite tightening up and revision of the machinery to enforce the Act and also, possibly, the Act itself. He was going to study it and I have heard nothing more since then.

Q What did you accomplish with Baruch and others on the Farm Bill?

THE PRESIDENT: They have not been in yet.

Q Is Mr. Peek in line for an important job in the Farm Administration?

THE PRESIDENT: He has always helped and will continue to help.

Q Anything new on banking? Anything new on bank deposits?

THE PRESIDENT: No.

Q Do you expect to have any more messages for Congress on particular legislation?

THE PRESIDENT: Yes.

Q What will that include?

THE PRESIDENT: I have not run out. I was going to send the Muscle Shoals message up today but the House adjourned over so I am holding it until Monday.

Q Can you tell us the status of your railroad program?

THE PRESIDENT: I expect to have a meeting on it Monday evening at the White House.

Q Can you tell us whether that includes any provision for the Government forcing reorganization of the railroads as suggested at Salt Lake?

THE PRESIDENT: We have not, any of us, got to the point of particularizing. We are still talking on two or three different methods.

Q Who will be at the meeting on Monday, Mr. President?

THE PRESIDENT: Secretary Roper, the Secretary of the Treasury and one or two others.

Q Mr. Richberg?

THE PRESIDENT: I don't think so.

Q Anyone from Congress?

THE PRESIDENT: Mr. Eastman, I think.

Q Any of the Congressmen?

THE PRESIDENT: No, I don't think so.

Q Do you think by next week you may be able to get something in on the railroads?

THE PRESIDENT: I don't know. It is a difficult thing. I hope so.

Q Are you going to send something in on refinancing home mortgages?

THE PRESIDENT: We are getting on with that very well too. I hope that will go in next week.

Q How about the bituminous coal stabilization?

THE PRESIDENT: Nothing further on that.

Q But there might be something done along that line?

THE PRESIDENT: I don't think so. I doubt it very much.

Q Have you been able to cash that first pay check?

THE PRESIDENT: Yes, I cashed it and I am sending back my 15%.

Q What is that?

THE PRESIDENT: Dollars - \$843.75. And I am also sending my dues to the National Press Club.

Q That is foolish.

Q That is on your first month's pay, is it?

THE PRESIDENT: Up to the 1st of April.

If anybody wants to see something that is really a joy, here it is. This is just strictly in the family. The most correct paper in the United States is the New York Times. Here is the loveliest thing that ever happened. You see on the right-hand side a picture of a boat which is ~~laying~~ on its side in the mud and the story along side it says "liner stabilizer found successful." (Laughter)

I got that this morning when I wasn't feeling at all well and I have been perfectly happy ever since.

(Laughter)

Q They are evidently producing some humor in their paper now. (Laughter)

Q Has there been any progress made in the centralization of the transportation regulatory agencies?

THE PRESIDENT: Nothing; I have not done anything more about it.

Q Would you like to make some comment on the effect on employment by reason of the production of beer?

THE PRESIDENT: Nothing. Maybe later on this evening, I may.

Q I can right now. (Laughter)

Q How many cases have you gotten thus far?

THE PRESIDENT: I can't say anything on the record, except entirely off the record. But all reports we are getting in is that the actual employment that has resulted from the manufacture of beer is bigger than the estimate and the amount of beer manufactured during the month is running away ahead of the Treasury estimates.

Q I want to thank you for sending the beer to the Press Club.

THE PRESIDENT: It got there all right? Fine.

Q Also, can I tell them that at four o'clock tomorrow afternoon they can come down there and get it?

Q There have been reports of the Administration coming around again to inflation and I wonder if you will say something about that - I mean actual inflation of the currency.

THE PRESIDENT: No, not putting it that way. I will tell you, off the record, about the problem. After all, you ought to know it. It is an old story.

So much of the legislation we have had this spring is of a deflationary character, in the sense that it locks up money or it prevents the flow of

money, that we are faced with the problem of offsetting that in some way. I would not say "inflation of the currency", because that is not the necessary meaning. You see, upon the closing of the banks I put away somewhere around four billion dollars. It was probably locked up before, but people did not know it. Now it is locked up and people do know it. That is deflationary. The effect of cutting very nearly a billion dollars off the Government payroll - the veterans, cutting down of departments and cutting off the 15% of employees' pay - would probably run to perhaps not quite a billion dollars but very nearly that. It means that much loss in the flow of money. That is deflationary.

Now, on the other side of the picture, we have C.C.C. giving employment to about 250,000 people in the forests and on works of various kinds. That is only \$250,000,000 as an offset, and then there is \$500,000,000 as an offset on direct relief to the States. That means that we have not yet caught up with the deflation that we have already caused, and therefore, of course, we are going to talk about

methods to give more people work or to raise commodity prices, which would --

Q The Farm Bill would do it.

THE PRESIDENT: The Farm Bill would do it, of course, because it will raise commodity prices and the Farm Mortgage Bill and the Home Credit Bill will help because it will cut down the debt obligations of the small, individual family man - the home man. That is all to the good.

Q Lower rentals --

THE PRESIDENT: But the question is whether all those things are inflationary. They are helpful.

Q Might we have an expression from you that there is no disposition on the part of the Administration to inflate the currency itself? I mean to print currency in a manner other than has been done.

THE PRESIDENT: What do you mean, start the printing presses?

Q Yes.

THE PRESIDENT: Off the record, we are not going to start the printing presses. That is silly.

Q Mr. President, are you ready to define what you consider a sound currency as expressed in your inaugural message?

In your inaugural message you said you were going to stand for a sound currency.

THE PRESIDENT: I am not going to write a book on it.

Q Can you say how much the public works program will overcome the five billion dollar deflation which you have mentioned?

THE PRESIDENT: That is very hard to tell. You can figure it twenty different ways. I don't know.

Q Has any consideration been given to paying off deposits in closed banks or, rather, to facilitate the paying off of deposits?

THE PRESIDENT: Yes, we are talking about that now.

Q Couldn't you allow us to discuss this on our own authority, what you have stated about inflation and deflation? You said it was off the record.

THE PRESIDENT: It has been printed lots and lots of times. There is nothing new in it. We know that a great many of the measures have been deflationary and we know too that a few of the measures have been somewhat inflationary in the sense of giving people work. But we know that we have not got to the point of equalizing and that we probably must do more. I don't like the word "inflationary" because no two people agree on the

definition. It is better say that we have got to do something more to give people more work.

Q May we use that as background?

THE PRESIDENT: I think so.

Q That is, this last part?

Q Your whole discussion or just what you said last?

THE PRESIDENT: No, just what I said last. I will hold it down to that.

Q How much new money has been issued of that \$2,000,000,000?

THE PRESIDENT: Do not use what I say because it is merely my impression that it is five or six hundred million dollars.

Q Is that in actual circulation?

THE PRESIDENT: I think that is the amount which has gone out. How much has come back I do not know, but it is a very small amount.

(The press conference adjourned
at 4.15 P.M.)

CONFIDENTIAL

Press Conference #13

At the White House Proper,

April 19th, 1933 - 10.38 A.M.

(The President had a cold and the Press Conference was held in the Oval Study in the White House proper.)

THE PRESIDENT: What is the news?

Q There has been some talk again about inflation. I don't know --

THE PRESIDENT: How do you define inflation?

Q I don't know what it is. (Laughter)

THE PRESIDENT: Neither do I. I have gotten to the point where even a cigarette tastes bad.

Q That is a sign of a cold?

THE PRESIDENT: Yes, it certainly is.

Has the State Department given you the social program yet?

Q Yes, it has.

THE PRESIDENT: That is the only news of any real importance that I know of. I will tell you what there is today. If I were writing a story, here is the way I

would put it: I don't know whether you can hear me at the back of the room - my voice isn't particularly strong this morning, since I have a cold. If I were going to write a story, I would write it along the lines of the decision that was actually taken last Saturday, but which really actually goes into effect today, by which we, the Government, will not allow the exporting of gold, except earmarked gold for foreign governments, of course, and balances in commercial exchange. That is for straight movement. If you want to know the reason why, I think the best exposition of it was by Walter Lippman yesterday morning.

In other words, the whole problem before us is to raise commodity prices. For the last year, the dollar has been shooting up and we decided to quit competition. The general effect probably will be an increase in commodity prices. It might well be called the next step in the general program.

Q In other words, let the dollar take care of itself?

THE PRESIDENT: Yes, let the dollar take care of itself.

and seek its own natural level instead of trying artificially to support it.

Q This policy would raise prices here at home. On the agenda of the International Conference there is an item for raising prices all over the world.

THE PRESIDENT: Right.

Q Can you give us any background on how that will be done internationally? By your policy it would be done nationally, but how would it be done internationally?

THE PRESIDENT: Of course, this really is a constructive move in the sense that it puts us in the same position with nearly all the other nations of the world. We start on the same footing and because we are such a large nation, it ought to increase the necessity for all nations getting together on a more stable basis.

5 Q Yes?

THE PRESIDENT: It is a constructive move. It is a little bit like what happened nationally. What we had to do last March was to clear away the dead wood. We had been heading for a bank smash-up for a long time and what we did was a drastic thing, which was to clear away the dead wood and start afresh. Now, this is

along the same general line. It puts us on a par with other nations and it is hoped eventually that it will aid somewhat to raise prices all over the world. However, as to what the actual details of that will be or the methods to be pursued, we don't know yet. There have been half a dozen different suggestions made. That is one of the things we are talking about.

Q Can you explain the process by which this would tend to raise commodity prices here at home?

THE PRESIDENT: Here is a simple illustration: There are a good many commodities which are sold in terms of world trade. Well, for instance, cotton. Cotton is sold on a gold basis and, with the dollar where it has been, it works out to a certain number of cents. Therefore, if the dollar were to sell off 10%, the price of cotton in terms of dollars would go up 10%.

Q Mr. President, you said the decision was reached Saturday. Haven't there been some licenses to export gold since Saturday?

THE PRESIDENT: No, that is purely a mechanical thing. In other words, the only licenses that have actually been issued since Saturday were those which had been verbally

okayed for export before Saturday.

Q Have you any other ideas in mind on this so-called inflation or deflation as to the steps to be taken?

THE PRESIDENT: Nothing else. I think on the general subject, it is awfully difficult to particularize and I don't see how I can write an intelligent story and I don't see how you can.

It is a little bit like a football team that has a general plan of game against the other side. Now, the captain and the quarterback of that team know pretty well what the next play is going to be and they know the general strategy of the team, but they cannot tell you what the play after the next play is going to be until the next play is run off. If the play makes ten yards, the succeeding play will be different from what it would have been if they had been thrown for a loss. I think that is the easiest way to explain it.

Here is a team that has a perfectly definite objective which is to make a touchdown so far as commodity prices go. The basis of the whole thing really comes down to commodity prices. And, this is entirely off

the record, the general thought is that we have got to bring commodity prices back to a recent level but not to the 1929 level, except in certain instances. Well, you take for instance city real estate in 1929. Then it was altogether too high and you ought not to bring city real estate back to the 1929 level. That is obvious. On the other hand, farm commodity prices were comparatively low in 1929 and have been going down rather steadily for five or six years. So that it has got to be a definitely controlled inflation because the man on the street does not understand it any more than the average banker understands it. It has got to be a controlled price level.

Q Mr. President, is it still the desire of the United States to go back on the international gold standard?

THE PRESIDENT: Absolutely; one of the things we hope to do is to get the world as a whole back on some form of gold standard.

Q Can you tell us any of your plans for the opening up of closed banks?

THE PRESIDENT: Mr. Woodin is going to talk with the Federal Reserve people about that today. I don't know what the

details are.

Q Is it all right for us to use that line about controlling the price level? You had been speaking off the record.

THE PRESIDENT: Yes, I think you can use that with the very definite thought in mind that we have got to raise the price level but, keep it from going too high.

Q You spoke of some form of international gold standard.

Does that imply the possibility of a lower gold content in the monetary units of the world?

THE PRESIDENT: Well, I would not put it that way. One of the things they are talking about - the economic end of the conference - is a different gold ratio - a different gold reserve to currency. You see, at the present time, the old standard was 40% and there is talk of changing that ideal 40% standard, which was the old ideal, to something else.

Q Would you describe this as another step toward a controlled or managed currency?

THE PRESIDENT: Currency? Yes, but I think you ought to couple with that the effort to get a more controlled credit, because the two go hand in hand.

Q The public works program will fit in this general campaign sooner or later, would it not?

THE PRESIDENT: Oh, yes and, by the way, entirely off the record, do not write stories about five or six billion dollars of public works. That is wild. In other words, the public works program will be as much as we can usefully use between now and next spring. There is no use attempting to go ahead with a public works program, with a project which will require all kinds of engineering in the first instance and with the actual employment unable to start for a year. What we want is the type of public works that will put people to work immediately - get them to work as soon as possible.

Q Is that off the record?

THE PRESIDENT: I think you can use that.

Q That won't be so much, then.

THE PRESIDENT: It won't be five or six billion dollars.

I have no idea, but it will not be anything like that.

Q It won't be much more than a billion?

THE PRESIDENT: We are looking over the field and seeing how many public works there are that are practical, useful, self-sustaining as far as possible and can be started quickly. There is a limit to that.

Q Where did you get your cold?

THE PRESIDENT: I don't know; I think I got it from talking too much.

Q Anything on railroads today?

THE PRESIDENT: Railroads? No. I talked about it yesterday with Secretary Roper and several others. I suppose I will send something up on it in a few days.

Q This week?

THE PRESIDENT: Yes.

Q Is there anything on the Glass banking bill?

THE PRESIDENT: I don't know; what is happening on that?

Q All your moves are being made with the idea of preventing the printing press currency?

THE PRESIDENT: All the moves?

Q Yes.

THE PRESIDENT: No, of course we are not going to have printing press currency.

Q Along with that, are you going to say anything about the campaign for changing the gold content of the dollar?

THE PRESIDENT: No, because that is a thing that has not even been discussed. Of course, that probably might come in - I would rather have it off the record because

it is so far in the dim, distant future - it might come in as a partial component part of an international program, but it is pretty far off, even in the discussion stage.

Q Could you tell us how soon we will get the reciprocal tariff bill?

THE PRESIDENT: No; I have not heard of it for two weeks.

Q Have you given any thought of going to Chicago for the World's Fair?

THE PRESIDENT: I promised to go, if I can.

Q Have you made up your mind as yet?

THE PRESIDENT: No; I intend to go unless I get held up by something else.

(The press conference adjourned
at 10.53 A.M.)

CONFIDENTIAL

Press Conference #19

Executive Offices of the White House,
May 10th, 1933 - 10.49 A.M.

THE PRESIDENT: Good morning. The really important news is that we are going to have a moratorium on news over Saturday and Sunday.

Q Speaking of moratoriums, did you see the speech that Ramsay MacDonald made yesterday in which he said that an agreement had been reached that we should enter into a consultative pact?

THE PRESIDENT: Careful; don't misquote him, get it right.

Q Will you read it and comment on it, please.

THE PRESIDENT: You can print his language.

Q What was that, Mr. President?

THE PRESIDENT: You can print his language.

Q What he said was that agreements were entered into here --

THE PRESIDENT: What did you say? I will have to read it to you.

Q You will find it on the front page, in the box, in the Times. (Laughter)

THE PRESIDENT: For your information, I will read what he said. I take it that it was properly transmitted.

"One of the points we both considered and had very clearly in front of us was the menace to the tranquillity of mind of Europe which the recent events in Europe had created. We saw quite clearly the new risks with which the Disarmament Conference was being faced.

"Yet I am very happy to say that the United States Government is prepared to play a further part in tranquilizing Europe by agreeing, if the Disarmament Conference comes to anything like a satisfactory issue, to take its part in consultative pacts, the effect of which will be to increase the security of Europe and the safety of threatened nations against war.

"This is a very considerable advance. Secretary of State Stimson began it in that courageous statement he made before he went out of office regarding the need to redefine neutrality and the present government has expressed its intention of going further in making its obligations quite definite and authoritative. An announcement will be made in Washington in due time, when the matter is further considered and its details dealt with."

I will tell you what I am going to do. I will talk to you off the record about it. We haven't got to the point of saying anything, so it has to be entirely off the record and just informative.

Both Platforms, I think certainly the Democratic Platform, favored consultative pacts. Now, what is a consultative pact? It means, and it meant in the Platform, that if all the nations agreed to set up some kind of machinery for consultation in the event

of an act of aggression, we will be very glad to have somebody there to consult with. I consider that to be a step forward. But it is not, and do not get the idea that it means that we bind ourselves in the first instance to agree with the verdict. Now, that is a very different thing. We agree to consult. Therefore it does not tie the hands of the United States in any shape, manner or form and leaves our final action entirely up to us. Now, that is the simplest way of putting it. We in no way - in no way - are limiting our own right to determine our own action after the facts are brought out.

Q Mr. President, did MacDonald give you to understand that that would be sufficient to satisfy the political security demands of Europe?

THE PRESIDENT: Again, I can tell you off the record that that position of ours seems satisfactory to the British and to the French.

Q To what end do we consult?

THE PRESIDENT: Let me again illustrate, off the record. This Disarmament proposal of MacDonald's which has been before the Disarmament Conference in Geneva

quite a long time - a good many months - it is divided into two parts. Part one is called security and part two is called disarmament. Parts two, three, four and five are called disarmament and parts two to five bring up for discussion a definite plan for the taking of what might be called the first steps towards the objective. The objective, most simply stated, is to reduce and eventually to practically remove the weapons of offensive warfare, in other words, the weapons of attack. If we can limit and eventually remove the weapons of attack, you automatically build up and strengthen the weapons of defense. If you remove the weapons of offense and thereby strengthen the weapons of defense, you give security to every nation, including the small nations.

The simplest illustration is by asking what are the weapons of offense that render the weapons of defense ineffective? Well, there is gas. You can flood a fort with gas and make it untenable. Then there is heavy, mobile artillery, because you can smash a fort with heavy artillery and you can smash trenches with heavy artillery, and you can smash barbed wire entanglements with heavy artillery. Then there are bombing

planes - probably planes of all kinds - because they can drop things on top of forts, on top of trenches and on top of barbed wire. Then there is what I call land battleships. Those are the perfectly enormous tanks - they are getting bigger and bigger every day - that will walk through a ditch and over various entanglements and very soon, probably, be able to walk over a fort.

If you can eliminate those eventually - I am talking about a long distance picture - if you can eliminate the weapons of defense, you have accomplished something and you have made the nation secure against a sudden attack.

Well, that is something that has got to be done by steps. The MacDonald plan contemplates taking the first step.

That is the simplest way of describing what the MacDonald disarmament plan is and, if the first step can be taken, there is a better chance of being able to take the second step and the third step and the fourth step towards the ultimate objective.

So much for the disarmament class of the MacDonald plan.

Then you come down to what is called part one, security. Part one, security, proposes to set up certain machinery to determine who is the aggressor, and what will be done to the aggressor. There is a desire to work out some means of consultation in the event of an act of aggression in order to implement the Kellogg-Bryan Pact.

Now, what that machinery may be is still very much in the air - the details of it. There are objections to the MacDonald proposal because it presupposes that if a nation commits an act of aggression that then there would be called a conference and that the conference would meet and act as what might be called a jury on the act of aggression complained of. It also presupposes, and here is the weakness of it, that the aggressor nation would be very quietly sitting still during this whole period. That is a practical objection and they are trying to work out some more practical means of consulting together to put some kind of a determination on an act of aggression.

The position that I have taken - this has got to be off the record, I am sorry, because it is a thing that has got to break on the other side if it does

break at all - the position I have taken is that both parties here are entirely ready to sit at whatever kind of a consultative meeting is provided for. The idea is to work out some sort of machinery and then, having sat there, there would be a report to Washington as to what the other nations think and then we will be entirely free to do whatever we want to do. In other words, we would not be bound by the American who happened to be sitting in the consultative pact. He would report home.

Q Mr. President, it seems to me that the consultative pact is almost identical to our relations with the League of Nations.

THE PRESIDENT: It is an entirely different thing. You cannot use comparisons in that connection.

Q So far, they have talked very frequently about consultative pacts.

THE PRESIDENT: Oh, yes.

Q But we always took the stand that we would consult as things came up but do nothing obligatory - not be obliged to consult. With this new arrangement, would we be obliged to consult?

THE PRESIDENT: We would say quite frankly that we would sit in and consult. There is nothing particularly startling about that, when you come down to it.

Q But we have that machinery now.

THE PRESIDENT: Sure. In other words, it sounds like a huge change in policy, but it is very little change in policy. It is an announcement that we are going to do something that we would do anyhow.

Q Would the other countries be more bound by their delegates to the pact?

THE PRESIDENT: As I see it, the MacDonald suggestion was that in this consultation pact, at this meeting, this conference, that the European nations and Russia and Japan should agree, the larger powers, by unanimous vote and the smaller powers by a majority vote. But you had better, some of you, read the language of it, because part of it is still very much in the air. It is simply something to try to build on.

Q Mr. President, inasmuch as Premier MacDonald said something for publication and this that you have said is off the record, cannot you give us something on the record?

THE PRESIDENT: This is study, off the record.

Q But it is not news. (Laughter)

THE PRESIDENT: I'm just trying to be helpful.

Q May we use anything as coming from our own imagination or knowledge?

THE PRESIDENT: No, I think it is just to enable you not to get stampeded by things coming over from the other side.

Q In that connection, there are a lot of things coming over on debts. Do you care to comment on that?

THE PRESIDENT: I will talk off the record also on debts.

Now this is entirely off the record. Do not get stampeded by anything you hear from the other side on debts. Well, I will tell you frankly what the situation is. It is not very much further than it was a long time ago. And the position is exactly the same position that I took, I think it was last November. In other words, that a debtor nation has, at any time, the right to come before a creditor nation and lay its case before the creditor nation. Now, that has not been done by any of them officially. So, you see, we are not nearly as far along as most of

the stories, and especially the headline people, would have you believe.

And then, the other part of it is, if you will read the joint statement of Mr. MacDonald and myself, you will find that that part is wholly true. In other words, that we were informally exploring, that is all. No proposal has been made by us and no proposal has been made by the other fellows or any of them. You know those headlines -- where is the Herald-Tribune? -- I don't blame anybody for writing stories and the headline writers have a bad time of it too because they have so very little space. For example, "U.S. to discuss war debts concurrently at London." That does not say if they want to talk to us, it says they are to talk to us. If our fellows go off to the Economic Conference, they are not going to have authority to discuss debts. That stays with Pop - right here. (Laughter)

Now, if somebody should happen to speak, let us say it is in London, to one of the American delegates -- I almost said who -- about that, probably the American delegate will say, "That is interesting. If you want me to transmit something to the President, I will be

glad to do it," but it is going to stay right here.

Also, the word "concurrently" does not mean that they will gang us any more than I would have suggested that or permitted that two or three months ago. They talk with us individually.

Q But, Mr. President, public opinion, particularly over here, has probably been more stampeded by these headlines than we have. Couldn't we clear it up on our own authority, otherwise they will be still stampeded.

THE PRESIDENT: No, go to the headline man privately.

Q Would you be willing to say what legislation you are going to ask Congress for in order to deal with the situation after recess?

THE PRESIDENT: There again. I have forgotten which story it was this morning, but one of the stories - I guess it was the Times (laughter). Oh, I know, it was Arthur's story.

Q Little Arthur? (Laughter)

THE PRESIDENT: Why, he talked to -- I wish they would put the names down, it would be so much clearer. He says that an Administration leader today - oh, come on and tell me what his name is - and then a whole paragraph

about the impression the Administration leader is supposed to have conveyed. Then he goes on to say that an Administration leader of almost equal rank had another idea and then he gives another paragraph.

For example, there was a story - what was it, three weeks or a month ago - that said there was a possibility that I would send a message to the Congress on debts. Now, I suppose I could have stopped it by saying there is also a possibility that I will send no message to the Congress on debts. Well, that is still the situation. I don't know. I don't know any more than you do whether I will send a message or, if I did send a message, what would be in it. Now, that is literally true, I don't know.

Q Isn't there a possibility that somebody will offer a resolution instead of your sending a message?

THE PRESIDENT: No.

Q Are you giving it consideration or do you not know yet what you will do?

THE PRESIDENT: There isn't enough material to work on as yet. That is the easiest way to put it.

Q Abroad, do you mean?

THE PRESIDENT: Either abroad or here. There is no material to work on.

Q You said that our willingness to agree to the consultative pact would be dependent on something like success by the Disarmament Conference. What do you consider "something like success"?

THE PRESIDENT: I will say, offhand, that we are one hundred per cent behind the idea of taking the first step in the removal of the weapons of offensive warfare. We are for that step. And we will consider it successful if we can get a substantial part of the proposed step. We want it to be very substantial, because, actually, we would like this first step to go a great deal further than it proposes to go.

Q Is that off the record too?

THE PRESIDENT: Yes, that is off the record, all of it.

Q I wonder if we can get down to something that we can print. Eugene Black, of Atlanta, Georgia, is he going to be president of the Federal Reserve Board?

THE PRESIDENT: Yes, I sent his name up this morning.

Q Is he going to be designated as Governor?

THE PRESIDENT: Yes. I understand - you had better check

this with the Secretary of the Treasury - I understand that Mr. Black has said that he can only assume this for a few months. That is on account of personal and business reasons in Atlanta.

Q Mr. President, there is a third subject that has been very much in the print and that is the tariff. What may happen in the way of getting authority from the Congress to deal with tariff?

THE PRESIDENT: Well, that is still like the debts. There is the possibility of sending something up there in the way of a message. I think there is a greater possibility there, I would say almost a probability, but what it will be, I don't know.

I am a little bit cheered up this morning about tariff, because apparently Great Britain is going along with the temporary tariff truce, and, if we can get substantial unanimity on this preliminary tariff truce between now and the twelfth of June, when we make our motion, there will be more chance of getting the second truce to last through the Conference.

Q What other countries so far would have agreed to the truce - Italy and Belgium?

THE PRESIDENT: Italy and Germany and Belgium, I think.

Q Japan?

THE PRESIDENT: China -- I have not heard from Japan. They may have others over there but, of course, there again, Davis may have some that have come into London, but have not come here.

Q Mr. President, do you or do you not consider the solution of the war debt vital to the success of the Economic Conference?

THE PRESIDENT: Have I stopped tickling the soles of my mother-in-law? (Laughter) Yes or no.

I don't know, it is too difficult a question to answer. Are my mother-in-law's feet ticklish? (Laughter) In other words, of course some cleaning up of the debt issue would be a fine thing, but it is not necessarily tied in with the success of the Economic Conference. The two are not necessarily wired together. They may be, what shall I say, "platonic" friends".

Q Mr. President, will you permit me to ask a question on another subject? Do you consider it imperative to pass corrective banking legislation at this session of Congress -- the Glass bill -- or do you wish to

defer it. In other words, are you going to throw your strength behind it at this session or at another session?

THE PRESIDENT: I don't know. In other words, we are all working on the problem of the banking bill. There are a great many factors in it. It is a question of whether all the factors will remain in it or whether it could be worked out to just a few factors. We are still talking about the actual effect of a good many of the proposals. McAdoo was in this morning talking about it. Really, we don't know yet.

Q Let me ask one more question and I will yield the floor. As I understand it, the subcommittee recommended that private banking institutions, like J. P. Morgan, should divest themselves from their security underwriting business as the subcommittee has already provided in the case of other banks.

THE PRESIDENT: I don't know. They have not talked it over with me at all.

Q Has the public works bill been submitted?

THE PRESIDENT: We are meeting at two o'clock.

Q I will be there. (Laughter)

THE PRESIDENT: I don't know, there are lots of people coming. (Laughter)

Q Do you expect that bill to include both the public works and industrial partnerships?

THE PRESIDENT: Yes.

Q How about the Chicago trip? Have you decided definitely as yet?

THE PRESIDENT: No.

Q When the public works bill goes up, will there be a message?

THE PRESIDENT: Yes.

Q When do you think that will be?

THE PRESIDENT: It depends on the result of the conference at two o'clock today. All that will happen at two o'clock today is that we will go over all the suggestions made and have a simple discussion of those questions. Then maybe we will have another meeting tomorrow. I want to get it up as soon as I can but I am not at all certain about this week.

Q Can you give us any idea as to who will be here at two o'clock?

THE PRESIDENT: The Secretary of Labor, the Secretary of

Commerce, the Director of the Budget - those are the only ones I know of definitely - Senator Wagner, Senator Robinson and quite a lot.

(Mr. Early spoke to the President)

THE PRESIDENT: For the sake of our visitors from overseas, I want to repeat very simply that "off the record" means merely "in confidence". It is only for information to prevent, more than anything else, the wrong kind of stories from being written.

Q Do I understand that everything you said on debts is off the record?

THE PRESIDENT: Yes.

Q Your remarks on tariff?

THE PRESIDENT: What did I say on tariff?

Q You said there might be a reservation.

THE PRESIDENT: I think we can use that as background, if you want.

Q Can we say that you approve that dispatch of what Ramsay MacDonald said - the dispatch you read there?

THE PRESIDENT: No.

Q Would you regard the raising of the tariff under the provisions of the Farm Bill as a violation of all these

tariff treaties we are working for?

THE PRESIDENT: I think so. I don't think we can raise any tariffs until the twelfth of June. I don't think it would be necessary.

Q Some of the oil people would like an administrator. How can that be handled?

THE PRESIDENT: I asked several people to look into it.

Q To study whether it would fit in?

THE PRESIDENT: Yes.

Q Do you expect to see Schacht again today?

THE PRESIDENT: This afternoon, I think about three or three-thirty.

(The Press Conference adjourned
at 11.15 A.M.)

CONFIDENTIAL
Press Conference #31
Executive Offices of the White House

July 5, 1933, 12.00 Noon.

THE PRESIDENT: There is only one bad piece of news today that I know of. It will have to be corrected and I am taking immediate steps. I found this morning that I had put on seven pounds and have to take drastic measures to get it off. However, that will not be referred to London.

Q What is the total weight?

THE PRESIDENT: About 181 pounds, I am sorry to say. That is bad; I have to get it down to 174 pounds.

Q How are you going to get it down?

THE PRESIDENT: Eat less.

Q How about swimming?

THE PRESIDENT: Oh, yes; I will take off some swimming. But, mostly, plain not eating so much.

I don't think there is any particular news. I have been trying to catch up yesterday and today. I have just been reading and listening to various things and of course on the International thing, I think Mac (Mr. McIntyre) told you last night that we have been in pretty close touch with London the past week, wiring back and forth. I talked with Secretary Hull this

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morning on the phone and, of course, on those things any news has got to break from London, so there we are.

Q What about these reports that you are putting forth new proposals?

THE PRESIDENT: Anything at all has to come out of London.

Q Will it come today, do you think, Mr. President?

THE PRESIDENT: I don't know.

Q Are you sending any new instructions to London, Mr. President?

THE PRESIDENT: No, I simply cannot talk about it. Off the record, it is easy to write a story and say, "new instructions". Of course, it is not true. There have never been any instructions. We have talked the thing over by cable and telephone but there has never been any instructions.

Q It is already of the Agenda. It couldn't be anything different?

THE PRESIDENT: Not unless taken up by unanimous consent over there.

Q You said off the record last night that you hoped that the conference would continue?

THE PRESIDENT: Still hope this morning.

Q Cannot you say something that would put you on record?

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THE PRESIDENT: That is all I can say; what I told them over there and what they told me from over there. That is about all there is. I don't think you can put it one way or the other. All I can say is that I hope the conference will continue.

Q The European nations don't think they can talk tariffs unless stabilization is taken care of first. What do you think about that?

THE PRESIDENT: I don't know that this is the time to go into it. It is a long, long story. It comes back to the definition of the word. Suppose we talk about this off the record so it won't be attributed in any way to official sources, but just your own information. The whole question comes down to the word "stabilization". We have a very different thought about the definition of the word than do some of the Continental -- not Europe, but a few of the Continental countries. In other words, they, in their economics, in those countries, they are, very properly, very much concerned with the current rate of exchange on their own currency in terms of other currency. To them that is important. To us it is not important. We are looking, fundamentally, for a different form of stabilization; in other words, a stabilization that will be based on a more or less equivalent price level in each country for X amount of

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goods. I hope that eventually each country in the world will have a currency which will be stable within its own domestic purchasing power.

Now, if you arrive at that objective in the world, automatically almost the exchange value of those currencies in terms of other currencies will become more or less stable. Then there is the other side of the picture: As I said, some of those countries are very much concerned with a temporary exchange value of their currencies in terms of other currencies and they seek to have us enter into a thing which is not really on the Agenda at all and that is an agreement between five or six nations out of the 66 present to set up some kind of a fund, a special fund, temporarily to control the exchange fluctuation. Now, our primary objection to that method, if we are asked to participate in that fund, is that morally we would be obligated, in case that fund called for large withdrawals of gold from this country, to let down the bars on the export of gold that we have in this country. Well, we are not willing to do that at the present time. We have seen, for example, the fact that England has been, so-called, off the gold standard for a year and ten months, and they are not ready to stabilize yet. We

have seen France, a few years ago, go off the gold standard and stay off the gold standard for nearly four years. We have only been off for three months. We haven't had time to turn around. We don't know, exactly like England, what to do next. There is one little item I think that is worth calling attention to. It is in one of the papers this morning. It is an A.P. story.

Q It is all right then.

THE PRESIDENT: (Reading) "A Government spokesman" --

this is from London -- "would not give a direct answer when asked in the House of Commons today" -- and the House of Commons is a little like a Press Conference -- "that sterling would not be advanced with gold.

Mr. Hore-Belisha, Financial Secretary-Treasurer, speaking for Neville Chamberlain, Financier of the Exchequer, said that, 'although a return to the gold standard might be our ultimate objective' -- mind you, this was said yesterday in England, this is the British Government point of view -- 'although a return to the gold standard might be our ultimate objective, when proper conditions were assured, we must reserve complete liberty to choose both our own time and parity. He does not think he can usefully add anything to that statement now.'

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Yet, they talk on the other side about our being vague and they have been off for nearly two years. Now, that is the easiest way of explaining it. We are not ready to export gold. We are not ready to make any kind of an agreement by which we would morally obligate ourselves to export gold at this time and we are not ready to go along on the creation of some kind of stabilization fund which might obligate us to export gold. Now that, really, is the whole thing in a nutshell.

Q It was suggested that central banks might operate in that situation independent of the Government?

THE PRESIDENT: Central banks on the other side? I haven't the slightest idea.

Q And the Federal Reserve Board on our side?

THE PRESIDENT: That brings up the question whether the Federal Reserve Bank in New York legally has the authority to speculate in exchange.

Q Do you think it has?

THE PRESIDENT: Probably not, because the money of the Federal Reserve Banks belongs to the constituent banks that make up the Federal Reserve Bank in the district.

Q How are we to use this?

MR. EARLY: You first said it was off the record and then as not coming from any official source?

THE PRESIDENT: Background is all right.

Q Will you give me an explanation of how this stabilization of the dollar with reference to commodities can be brought about -- this future stabilization that you speak of?

THE PRESIDENT: I will put it this way: The easiest way is to give you an analogy. During the last Session we were all in favor, the Administration and the Congress, in favor of shorter hours of work in order to put more people back to work. Senator Black put in a bill which only had one paragraph in it and it said that nobody could work more than 30 hours a week. Now, that was doing by what might be called fiat, without knowing the effect of it or without considering the effect of it, laying down definite hard and fast terms. We took the objective of the Black Bill and Congress wrote the Industrial Control Act, which is so broad that it enables us in each industry to determine what the hours of work should be and to determine what the hours should be in the north and south and to determine the concentration in terms of a minimum wage. In other words, it is an elastic bill that gives discretion and authority to carry out the objective along all kinds of different lines as the need arises but with a perfectly definite

principle in mind. Well, it is the same way when trying to make the dollar retain the same purchasing value when we have it to the desired point. And it will probably, as in the Industrial Control Bill, have a great many different factors and methods of arriving at the result.

Q Would it be linked to the index price of commodities, for instance?

THE PRESIDENT: There again you are talking in terms of the Black Bill. Not necessarily in terms of a fixed index but the objective would be to have the dollar buy substantially, in general, the same general amount of commodities. You can't say "commodities" because I can come back at you and say, "what commodities, the 10 leading commodities or the 750 commodities?" Then you get into detail. I don't know. I have a perfectly definite objective but, as to the machinery, we will probably use half a dozen different kinds of machinery.

Q Have you the purchasing power of any particular date in mind?

THE PRESIDENT: No. Of course we are working on that and discussing it at the present time. You cannot get any one date for everything that will be absolutely fair for every other item. Some products, along certain lines,

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are best averaged in 1928 and 1929; other products might go back ten or fifteen years ago. We would have to average the thing up.

Q We used to use 1926?

THE PRESIDENT: There again, all I can tell you on that is that there are different schools of thought.

Q On such a basis as you suggest, Mr. President, there could not be any international standards, could there?

THE PRESIDENT: What?

Q On such a basis for the dollar there could not be a uniform international standard?

THE PRESIDENT: There could not be?

Q I am asking.

THE PRESIDENT: Of course not. You cannot have a perfect, definite fixed range for all nations because economic conditions vary in a nation. For instance -- this you will have to use entirely off the record because it relates to one specific country -- Japan during the past year has undertaken a very drastic change in her economic life and they have done it because they have believed that it was worth while doing it in order to flood the markets of the world at almost any price in order to bring in the money of other nations. For instance, just to give an example, the wage scale in

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Japanese factories has dropped away down. They are putting out sneakers in this country at 12½ cents a pair. They are putting out rubber boots in this country at 25 cents a pair. It is a perfectly definite national policy of cutting their own wages so low so that they can flood the markets of the world and get in outside money at any cost. Therefore, as long as any nation can do that, and nations will continue to do it when changing their economic life, you cannot have a perfectly definite fixed ratio of exchange between nations.

Q Do you think it possible to enter into any reciprocal treaties at the present time?

THE PRESIDENT: I hope so.

Q Won't they work against your domestic policy here?

THE PRESIDENT: No.

Q Would the stability of the dollar in relation to commodities require additional shifts in the gold content of the dollar?

THE PRESIDENT: Not of necessity. There you come down to another -- all this is perfectly terrible because it is all pure theory, when you come down to it. The situation of some of the European nations is that gold in the future should be used not as a collateral behind

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currency at all but that it should be used purely as a medium of international exchange to pay debits and credits between countries in international trade. I think our situation is just the reverse of that and that is that gold should continue, and silver, to be used as collateral behind paper currencies and among the instructions to our delegates when they first went over there was a clause that brought out our point of view that gold perhaps should exist in the future only in the form of bullion and that that bullion should be Government-owned and kept within the nation and not shifted to and fro on steamships; that it should be kept within the nation as permanent collateral behind national currency. Now you see you have two absolutely opposite thoughts for the future on that and we don't go along with the idea that gold should be used for international trade.

Q Is this something like the Fisher Commodity Index Dollar?

THE PRESIDENT: I haven't the faintest idea; I don't know.

Q Well, that is the Commodity Index Dollar that seems to have been described?

THE PRESIDENT: I don't know.

Q You would settle international balances under the American plan?

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THE PRESIDENT: Of course we are seeking, in so far as possible, to have trade balances within any one nation as even as possible as between exports and imports.

Q We still have a tremendous favorable balance?

THE PRESIDENT: It is very small, in fact almost equal.

For the last few years our export balance over imports has been almost negligible.

Q Mr. President, will you tell us if you propose to approve the Textile Code today or this week?

THE PRESIDENT: I haven't seen it or taken it up at all.

I am having Secretary Ickes and Secretary Roper over for lunch and we will go into industrial rehabilitation.

Q Recovery?

Q Industrial control?

THE PRESIDENT: Who said control?

Q Recovery?

THE PRESIDENT: Do they call it control, now?

Q They would like to. (Laughter)

THE PRESIDENT: Industrial rehabilitation and public works.

We will begin to talk about it at lunch today, for the first time.

Q Have you seen General Johnson?

THE PRESIDENT: Nobody at all. The only person I saw was Bill Phillipps.

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Q Will you see General Johnson today?

THE PRESIDENT: I don't know.

Q There is another subject of interest to local papers.

During the last ten days or two weeks there have been some 3,000 or 4,000 people dropped and there has been some talk of restoring them in the emergency activities up under civil service.

THE PRESIDENT: I will have to get a report from the Committee of the Cabinet who are working on the thing at the present time.

Q Secretary Roper?

THE PRESIDENT: He is heading it up.

Q How about the projects under Public Works?

THE PRESIDENT: I haven't seen the list. The Secretary of the Interior brought me a stack that high (indicating) of projects on the Indianapolis and I did not have time to read them.

Q In discussing Col. Sawyer, you called him "Temporary Administrator".

THE PRESIDENT: Yes.

Q Is there likely to be an appointment to that?

THE PRESIDENT: I don't know; I haven't taken it up at all.

Q Is there any intention of cutting down the Public Works program?

THE PRESIDENT: I haven't any idea.

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Q There has been a loan made to Russia and there has been a discussion that it is the first step toward recognition. Is that in your mind?

THE PRESIDENT: I haven't heard a word about it until I saw the dispatch from London.

Q The Postmaster General told us repeatedly that you were going to appoint the District Commissioners within two or three days.

THE PRESIDENT: It would be safe to say that I hope to within two or three weeks.

Q Doesn't this managed currency scheme of ours result in permanent stabilization of the dollar at any time at any fixed rate?

THE PRESIDENT: I don't know; that is a trick.

It depends again on the definition of the word "stabilization".

Q I mean fixing the dollar at a fixed price in relation to other countries.

THE PRESIDENT: I don't know.

Q Mr. President, under the American plan of no transfer of --
(interrupted)

THE PRESIDENT: That is the present stand, that is all. I don't say that possibly we will keep all the gold here. Right on that line, you will notice in my message to our delegation of July 2 that I had one sentence to the effect that we were not ready to export gold but that if and when

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we had a substantial stabilization of economics and currencies within other nations, that that would be time enough to talk about any re-distribution of the world's gold. You see France and ourselves have got, roughly, 7 billions out of the total of 11 billion dollars of gold. Well, suppose some country came along and said, "we are going to have a perfectly stabilized currency from now on within our own borders with a gold reserve." Is there any way in which we can get part of the French gold or our gold to help them set up such a currency? That is a perfectly safe question to ask because it will help put that country on its feet but, on the other hand, we would have to have some sort of an agreement from them.

Q If the London conference shows definite signs of going on the rocks as a result of this stabilization, would that change the Administration's attitude?

THE PRESIDENT: Don't put it that way. We don't think it is going on the rocks.

Q Give us a reason.

THE PRESIDENT: Just personally hopeful.

Q Some southern states are going to vote on Prohibition Repeal. Are you going to say something to them?

THE PRESIDENT: We are still hoping.

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Q Have you any reason to believe the Federal Reserve Bank in New York is engaged in operations to steady the dollar?

THE PRESIDENT: I am sure they are not; of course that is a guess on my part.

Q Are these appointments coming through pretty soon.

Mr. Farley said you would have some appointments soon?

THE PRESIDENT: Yes, but not until next week. I told Jim I would not have time until he gets back on Monday.

(The Press Conference adjourned at 12.20 P.M.)

CONFIDENTIAL

Press Conference #37

Executive Offices of the White House,
July 28th, 1933 - 4.10 P.M.

(Present: Secretary Ickes, Edward Flynn)

Q Mr. President, there are reports out this afternoon that the Government is taking some steps towards inflation of the dollar. Is there anything you can tell us about that?

THE PRESIDENT: It is a typical July story.

Q Off the record, Mr. President, can you fill us in on what the situation is on that? Personally I am as ignorant as a nincompoop on it all, and if I could get a little background or off the record --

THE PRESIDENT: On what?

Q On inflation and deflation of the dollar and so forth.
(Laughter)

Q Is there anything I can get? (Laughter)

THE PRESIDENT: Stevie (Francis Stephenson), if you would offer me a hundred dollars to write a story I couldn't write it myself. There just ain't no news.

Q I could not offer it. (Laughter)

Q I see the Secretary of the Interior is here. Is there

anything you can give us about public works programs, oil, the Mississippi Valley and the Channel?

THE PRESIDENT: Yes, I think we can do that. We studied this morning and approved the Grand Coulee project in the Columbia River. The amount involved is sixty-three million dollars. That is the initial amount. I think you had better check on these figures, because they are just purely from memory. The original, complete project called for a very large dam, I think about three hundred feet high.

Q Three hundred and seventy feet high, I think.

THE PRESIDENT: It was a dam that would have developed, as I remember it, over a million horsepower. At this time, however, it was felt that there isn't a present, ready market for that amount of power and therefore that the foundations for the full-sized dam will be put in but the dam will be only built to a height of about a hundred and thirty feet. Is that correct, Harold?

SECRETARY ICKES: I don't think it is that high.

Q A hundred and forty feet, I think.

THE PRESIDENT: A hundred and thirty or a hundred and forty feet. Initially it should develop four hundred and fifty or five hundred thousand horsepower.

SECRETARY ICKES: It will be the cheapest power in the country.

THE PRESIDENT: And the State of Washington, as I understand it, has authorized the creation of a power district which will be empowered to make a contract with the Government for the purchase and distribution of this power. I think you can also anticipate and say that the Board at its next meeting will also approve the immediate resumption of work on the nine-foot channel in the upper Mississippi.

Q Is there anything that can be said about the size of the appropriation or the amount of work that will be done within the year?

THE PRESIDENT: We haven't the figures. I think all you can say is this: That we propose to work it on the basis of completing it in between two and three years. I cannot tell you the actual allocation for this first year.

Q But the allocation of funds will be sufficient to enable the work to be completed?

THE PRESIDENT: It will be sufficient to cover all the work that can be done in the first year.

Q How about the Missouri, is that to be included also?

THE PRESIDENT: We haven't got quite enough reports from the Engineers of the Reclamation Service.

Q Mr. President, will you appoint a District Commissioner?

THE PRESIDENT: And one other---(Laughter)

I am not trying to avoid the subject of the District of Columbia Commissioners. I will come back to it in a minute.

There is one other project which I think will be approved next Monday or Tuesday. That is the Caspar-Alcova project in Wyoming. That is a very large project which is primarily for flood control. It is the first large one on the upper waters of the Missouri River. Actually, it is not on the Missouri itself, but is on the South Platte. Do you remember what the total of that is, approximately?

SECRETARY ICKES: Twenty-one million dollars.

Q Mr. President, pending ratification of the St. Lawrence Treaty, is there anything you can do on that?

THE PRESIDENT: No, I would rather you did not have this coming out from here. You can say that the question has been broached and it seems to be Administration policy. Several Senators, including Senator Vandenberg and some others, have asked me to set aside, out of this public works money, a hundred and fifty million dollars for the American share of the building of the

International Rapids Section of the St. Lawrence next year, pending ratification of the Treaty, but I, frankly, don't think that was within the intent of the Congress in appropriating the money. They wanted the money to apply to projects which could be immediately started and I think it would be flying in the face of Congressional intent if I were to withhold that money until next year in the hope that the Treaty would go through, so I don't think I can do it.

In regard to these projects, I think it is perfectly well at this time to make one thing clear: The Wyoming project, for example, has as its primary purpose the control of flood waters on the upper tributaries of the Missouri River. With that control there will be two other results, one power and the other sufficient water to use for reclamation purposes. Now, the very minute you start to increase the irrigation area in the United States, you run into the problem of additional crop production. At the present time we are all against additional crop production. What are you going to do about it? It will be good crop land. It will be irrigated land and therefore the Administration, in order to get this good crop land which will be a

by-product of flood prevention, has decided that it will take out of production an equivalent acreage in sections of the country where such acreage is now being farmed on a submarginal basis. Submarginal land, in other words, is land which ought not to be farmed but is still being farmed. Now, that does not mean taking out acre for acre, because this reclamation land which will result from the flood control and this Wyoming project will probably produce three or four times as much in the way of crops as the submarginal land produces, and therefore it may, in all probability, be necessary to withdraw from cultivation three or four acres of submarginal land for every acre of new reclamation land that is being put into use. Therefore, we will undertake to acquire and take out of cultivation an acreage of submarginal land whose production is the equivalent of the new acreage of reclamation land which is put into use, so that the total production of crops will not be increased. Of course, at the same time we are taking off the soil, off that submarginal land, families that today cannot make a living working that submarginal land.

Q Will the submarginal land be used for forest preserves?

THE PRESIDENT: They will probably go back into the public domain and if there are lands which can be used for forestry purposes, we will put them into forestry.

Q Out of what funds?

THE PRESIDENT: Out of the same funds.

Q Is there any estimate of the acreage on the Wyoming project?

THE PRESIDENT: Do you happen to know how much, Harold?

SECRETARY ICKES: My recollection is about forty thousand.

Q That will be improved?

THE PRESIDENT: Yes.

Q Will this submarginal land be withdrawn, will that be confined to the same State?

THE PRESIDENT: Not necessarily.

Q Mr. President, the Attorney General has been in to see you quite often this week and he has discussed in detail plans for curbing racketeers and kidnappers. Is there anything you can tell us about that?

THE PRESIDENT: Not with me.

Q Mr. President; any consideration being given to a petition for a change in the processing tax?

THE PRESIDENT: Various petitions and requests went in to the Secretary of Agriculture and he does say, just for your information and more or less off the record, that

it does not seem probable that the tax will be changed, although the Secretary of Agriculture is still studying it.

Q Anything on the Blanket Code?

THE PRESIDENT: Not that I know of. I signed the Pajama Code.

(Laughter)

Q Mr. President, you said you would come back to the District of Columbia.

THE PRESIDENT: Right. (Laughter) By Jove, I have not taken it up since I saw you last. (Laughter)

Q No appointments before you go?

THE PRESIDENT: No.

Q Have you decided on the Governor for Hawaii, in view of the fact -- (interrupted)

THE PRESIDENT: No, I have not, because I have been still up against the same old problem. I think I can tell you something for background information in regard to Hawaii: It is so far away that I do not know enough about it, and one of the problems is to get a better survey than we have for it - a survey of the whole judicial and policing system in the Islands.

The Secretary of the Interior has suggested that we should send somebody who knows the subject pretty thoroughly, a practical man experienced in judicial and

policing methods, to make a study of the conditions for us and at the same time to give us a new report. There have been a good many reports in the past on the whole Organic Act that applies to the Territory. The Secretary just made that recommendation today and we are going to find somebody to go on out and make a report for us on the whole subject.

Q When is the administrative or supervisory authority under the Cotton Code to be appointed? There are three from the Government to be appointed and no such authority is set up as yet.

THE PRESIDENT: I don't know. I haven't a thing about it.

Q How about resumption of flood control work on the lower Mississippi?

THE PRESIDENT: I don't know. Do you know anything about that, Harold, lower Mississippi?

SECRETARY ICKES: No, nothing.

THE PRESIDENT: I don't think we have had a final report from the Army Engineers on that.

Q The work is practically stopped now.

Q Mr. President, is there anything to these reports from Paris that Baruch talked to Litvinoff and discussed with him the recognition of Russia?

THE PRESIDENT: That is another July story.

Q How about Secretary Hull and Moley to go to Treasury?

THE PRESIDENT: That is a third July story, in fact that is a July and August story.

Q What about the story that Governor Lehman will become Secretary of the Treasury?

THE PRESIDENT: That is a July and August story.

Q Who will be Secretary of the Treasury?

THE PRESIDENT: Mr. Woodin.

Q Mr. President, what about the Board to review the Veterans cases?

THE PRESIDENT: Those will be ready - I think General Hines will have them ready by tomorrow or Monday, the first ones.

MR. EARLY: General Hines made an announcement on that today

Q He said on Monday.

THE PRESIDENT: They won't all come up at once. In the first instance there will probably be only five or six and then piecemeal over the next couple of weeks.

Q How soon can we expect some diplomatic appointments?

THE PRESIDENT: Not until the Secretary of State gets back.

Q Anything on the number of employers who signed these blanket agreements up to noon today?

THE PRESIDENT: The General is away and I won't hear until probably tomorrow afternoon. All I know is that they are coming in awfully fast.

Q Is there any likelihood of trade negotiations in the immediate future?

THE PRESIDENT: They are going on all the time.

Q Informally?

THE PRESIDENT: Yes.

Q Any callers over the week-end up at Hyde Park?

THE PRESIDENT: I think what we can do is this as far as the people who are going up there are concerned. We will get there tomorrow morning and there won't be a blessed thing doing over Sunday. We can put the lid on.

Q Okay on that.

THE PRESIDENT: That will be until Monday morning.

Q Have you appointed a Governor of the Virgin Islands?

THE PRESIDENT: Not yet.

Q Did you sign an Executive Order to round out those park areas in Great Smoky?

THE PRESIDENT: I don't know whether the Order has actually been signed or not, but it is going to be about a million and a half dollars.

Q Any more appointments tonight?

THE PRESIDENT: No more appointments tonight.

MR. DURNO: Thank you, Mr. President.

(The Press Conference adjourned
at 4.28 P.M.)

CONFIDENTIAL
Press Conference #59
Executive Offices of the White House

October 11, 1933, 10.40 A.M.

(President Arias, of the Republic of Panama,
was present at the Conference.)

Q Good morning, Mr. President.

THE PRESIDENT: Good morning. (Exhibiting sabre)

Q Are you going to cut off a few heads this morning?

THE PRESIDENT: At least I am protected. Charlie (Mr. Hurd) you
have to be good this morning. You watch your questions
carefully.

Q Mr. President, hadn't you better turn that into the Treasury?

Q Is that all gold, Mr. President?

THE PRESIDENT: I think it is.

Q It would be worth more if gold is de-valued. (Laughter)

MR. DONALDSON: Everybody in?

Q Mr. President, this is no laughing matter -- what can you
tell us about the liquor situation, the District Attorney,
the Public Utilities Commission and District of Columbia --?
(Laughter)

THE PRESIDENT: I haven't thought about them since you asked
the question. I asked the President of Panama to come in
today and told him that this would be a unique experience
for him. From my point of view we have had a very
satisfactory talk --

PRESIDENT ARIAS: And from mine also.

THE PRESIDENT: And the President says, from his also. I think his visit does illustrate the practical way of taking up problems that occur between different countries and I think we are making very satisfactory progress.

There are a number of matters such as, for instance, the present condition in that the Republic of Panama cannot have its own radio station. Well, that seems like a perfectly absurd situation. It has been created because of the military problems of the Panama Canal, but we are trying to work out something which will enable the Republic of Panama, like any other nation, to have its own radio station. Then, there are other matters such as, for instance, the competition of certain supplies -- competition created by the Canal Zone authorities which affects the merchants of the Republic.

Those are all matters which probably can be ironed out satisfactorily.

Then, of course, there is the other thing which we have talked about. It is a rather interesting parallel, although I think I will have to say this almost off the record because you cannot say that it comes from me -- the parallel -- you can invent that yourselves. Panama has a corridor problem. Right across the middle of Panama there is a corridor belonging to somebody else and

yet we are perfectly convinced that through mechanical means and through cooperation and talking things over, we can make the life of the Republic of Panama perfectly practical and satisfactory so that the corridor which splits the Republic in two will not interfere with the orderly development of the Republic. In other words, the lesson I draw from it is the fact that the President of Panama comes here and talks things over and makes a solution of our problem, a perfectly peaceful and practical solution, possible. I am not saying that other nations ought to do the same thing, but!

So, we are getting on very well and it is delightful to have Senor Arias here. I told him that some time, when and if I can get away from Washington, I hope to go down through the Canal, stop in Panama, and visit him.

The sword you heard about yesterday is here, if you would like to examine it. It is a very wonderful piece of workmanship, engraved with the American eagle and the stars and the letter "W" on both sides of the blade. It had been ordered by the French volunteers who fought in our revolution, to be given to Washington. It is supposed, but not proven, to have been brought over here by General Lafayette himself as a gift to Washington in 1800. Of course, General Washington had died the year before. It was only found in the sword factory this last summer. It was given to our government and will

hang under the portrait of Washington in the White House.

Q Is there an inscription on the blade?

THE PRESIDENT: No, there is no inscription, only the letter "W" and the Presidential eagle and the stars.

Q Still sharp?

THE PRESIDENT: For all practical purposes. (Laughter)

Q Mr. President, can you tell us anything about the banking situation?

THE PRESIDENT: No, I cannot; I wish I could. In other words, we are going ahead with the two objectives, first, are paying off as rapidly as possible the depositors in the banks that have been closed this year and the other is to provide sufficient capital for the banks that are opened so that they can qualify beyond a question of doubt under the insurance plan on the first of January. But the actual details have not been completed.

Q Can you tell us whether, in all probability, the money will come through the R.F.C. in connection with this thing. The Attorney General mentioned a discussion concerning a general Federal bank to take over those frozen assets. I wondered if it would be possible to elaborate just a little bit?

THE PRESIDENT: Probably will be. I don't know whether it will be a bank or corporation and I don't know whether the money will come through the R.F.C. or direct from the Treasury. That, really, is a detail of administration.

Q Do you say this bank will open this year? I mean January first is the date it will open?

THE PRESIDENT: January 1, 1933.

Q You mean 1934?

THE PRESIDENT: Yes. Of course, that is not definitely determined but in all probability it will be the first of January.

Q Could you tell us which Army posts will be abandoned?

THE PRESIDENT: Even the Army does not know. I have had no recommendations on it yet. They are still working on it.

Q Does this mean that you will ask the Congress to continue the R.F.C. after February 20?

THE PRESIDENT: Yes, of course. We are doing so many things under the R.F.C. that it has got to go on.

Q Will there be distinct provisions for carrying State banks and for carrying National banks?

THE PRESIDENT: I don't know. That is a detail. I don't think it has even been discussed.

Q Anything about the monetary situation? (Asked by Mr. Hurd)

THE PRESIDENT: Give me that sword. (Laughter)

Q (Mr. Hurd) It is approaching that time, isn't it? (Laughter)

Q Mr. President, has the time arrived when you can give us anything like a picture of liquor control as to repeal and the amount of taxes that ought to be raised and how it should be handled?

THE PRESIDENT: No, I cannot. I will tell you what the situation is: I think there have been three or possibly four different groups that have been studying the thing. The Attorney General has his end of it; then there is the State Department with respect to importations; the Internal Revenue People and the Treasury Department in relation to the wider fiscal problem. So far as I know, those different groups have not been coordinated. I don't think they have met together, but probably in the course of the next week I will probably get them together some way and try to work out what might be called an Administration policy in regard to the two phases of the situation. First will be the phase from the time of actual repeal up to the time of Congressional legislation and secondly the phase of what we will recommend to the Congress in the way of legislation. But there hasn't been any general meeting of all the interested parties yet and that is something I have to do.

Q Any serious consideration of a special session to deal with this?

THE PRESIDENT: No, and, incidentally, in spite of George Durno, Paul Mallon or somebody, there never has been any thought of a special session.

Q Mr. President, there will be about a six weeks' period in there where things will be more or less a kickback?

THE PRESIDENT: Yes, that is being interpreted by the Attorney General. I haven't got it yet.

Q Of course, it might be possible to mark time for six weeks?

THE PRESIDENT: We will have to do something practical. I don't know what the means will be that we will use.

Q Under the Recovery Act, you have the right to repeal those special taxes. Will that be one of your recommendations?

THE PRESIDENT: I haven't thought of it at all.

Q I think those taxes are automatically repealed?

THE PRESIDENT: Isn't it optional with me?

Q I don't think so.

Q It is mandatory that as soon as you proclaim repeal, the taxes --

THE PRESIDENT: Do I have to proclaim repeal?

Q Yes, you do. There is a difference of opinion as to whether it is permissive or mandatory, but if you do not proclaim it before the first of January, the nuisance taxes continue for another year.

Q Have you issued any orders affecting salaries of those in the motion picture industry?

THE PRESIDENT: I haven't issued any orders in regard to the movie code, one way or the other.

Q Have you advanced any ideas along that line?

THE PRESIDENT: The only time I have mentioned the movie code in any shape, manner or form, was to ask that the Deputy Administrator look into and consider the size of earnings of -- I hate to be impolite, but immature persons who,

perhaps, are making more money than is reasonable in good conscience; and the same thing in relation to -- what do they call them? -- producers or directors who are making about four or five or six or eight times the salary of the President of the United States -- as to whether it is conscionable.

Q How about Mickey Mouse? (Laughter)

THE PRESIDENT: I don't know any of the facts in the case.

The only things that came to me were rumors and I asked that the rumors be looked into.

Q Have you had any reports?

THE PRESIDENT: Not at all.

Q The State Department has led us to believe that repeal was effective the moment the 36th State actually ratified by its vote.

THE PRESIDENT: I don't know. I asked the Attorney General to look the whole thing up. I have not talked to him about it at all. I read that from the State Department but don't know whether it is true or not.

Q Is there anything new in the Russian situation? There are a lot of reports.

THE PRESIDENT: Not that I know of.

Q There is a story out of Los Angeles that McAdoo is going to be Ambassador.

THE PRESIDENT: After his three-day visit?

Q Can you tell us anything about the British Debt negotiation?

THE PRESIDENT: Only what I read in the papers and that was inaccurate. (Laughter) No, they have only just begun to talk on it and, as I understand from Steve, there won't be any news during the preliminaries unless it is handed out in the form of a joint statement.

Q Might it involve the question of stabilization of currency?

THE PRESIDENT: Not that I know of.

Q Wouldn't it be natural to stabilize --

THE PRESIDENT: Not necessarily.

Q How would they pay? (Laughter)

THE PRESIDENT: As a matter of fact, on this debt thing it would be best not to speculate because it would be pure speculation and the chances are 99 to 1 that the speculation would be wrong and, in the third place, it frankly doesn't do an awful lot of good in international relations to get the trend of the public mind one way or the other before there has been any meeting of the government minds.

I know you people won't mind my saying this, but the more I look at it the more true I think it is -- and this doesn't affect us people over here so much -- but if anybody would ask me what was the greatest single factor that contributed to the London Economic Conference not accomplishing more than it did -- and this is off the record and between us -- I would say it is the Continental Press. They established a public and publicity background

that necessarily concentrated the attention of that London Economic Conference on just one subject when they had twenty subjects. The Continental press and, to a large extent, the British press were responsible for that.

Of course, it is also equally true that people concerned in that London Economic Conference got a great deal of their own personal slant from the Press. It not only had a public influence but a serious influence on the delegates themselves and an influence on the publicity out of London. Of course, the delegates were, in large part, responsible too, but the publicity that came out of London and concentrated that Conference on just the one question of stabilization did a very serious hurt to good results.

On this debt thing, we are a little bit the same way. We are merely engaged on the preliminary conversation and in those conversations they will take up twenty different formulas and each one will have its ramifications of all kinds. They will explore them for a long, long time and nothing will come to me until they have explored them all. Then they may come to me and the Prime Minister of the Cabinet in London and say that such and such method is out of the question and another method is out of the question, but "we do think it is worth going ahead with discussions" on this line or that or on three different alternative

lines. And then the British Government may consider it and I will consider it and then we may get to the second stage or may not.

It is as vague as that and any story that says we are engaged on this particular proposition at this time just isn't so and will tend to stir up not only public opinion in England and the United States on an issue which is not an issue, but will also tend to crystallize the point of view of the government officials and the negotiators themselves.

That is why I hope very much on the debt negotiations that there won't be any categorical stories one way or the other because the thing is frankly and definitely completely up in the air. It is in the preliminary, exploratory stage.

Q You expect this will take some time?

THE PRESIDENT: Yes. And all we can say is we hope there will be some meeting of the minds on it, but we don't know. I will tell you all just as soon as there is anything tangible to go on, but there isn't yet.

Q Will you be good enough to clear us up in the same general way about the situation at Geneva?

THE PRESIDENT: Well, I may -- I would love to do it if I can do it off the record -- completely off the record. The difficulty is this: Any story coming out of Washington

to Geneva might have a pretty bad effect on the negotiations there. No matter what the story was, it might look like interference by Washington.

Now, the real situation in Geneva is, as I see it, this: -- Keep this entirely off the record, literally off the record. The real situation is this: That the Conference started in a long time ago, around a year and a half ago, with all the nations sitting around the table and all interested and all trying to work toward a practical solution of disarmament.

Gradually, and unfortunately, the whole thing has narrowed down to a very small number of great powers so that today, before the session begins on what -- the 16th? -- before it begins, it has, I am sorry to say, ceased to be a plenary meeting of all the nations and has come down, virtually, to a consideration of the European political problem in which Italy, France, Great Britain are involved and we are, in a sense, sitting on the outside but with access to what is going on. And Norman Davis is trying to act as *amicus curiae* -- he is not trying to tell them what to do but when they get in a jam, Norman Davis is talking to them and getting them to suggest ways and means of getting out of that particular jam.

Now, at the end of last week, it got into this kind of a jam: The French position was predicated on some

form of -- I have forgotten what the exact expression is -- a trial period during which Germany would not re-arm and if Germany proved that she was not re-arming during the trial period, then France, at the end of the period, would start disarming herself and Italy would do the same thing, and so on. Germany felt that she couldn't, with self-respect, agree to being put into the position of everybody watching her during the trial period; that it was against her national honor.

I think at the present time that they are engaged in finding a new way of stating somewhat the same thing; in other words, perhaps, of starting immediate disarmament but that during the trial period -- they won't mention the word trial period -- during the first few years the disarmament would not be very great or very effective. In other words, as practical people realize, it would really amount to the same thing, but actually it would help Germany to have it set out in a less brutal way than being given an ultimatum for a trial period.

That is what they are working on at the present time and if they can find a method of stating it that will save everybody's national honor on the continent, the thing will work out. If they cannot find a method of stating it, it doesn't look very favorable to an actual signing up for disarmament. That is the situation as it

is today.

Q Will that preclude manufacture by Germany of this armament she is talking about?

THE PRESIDENT: I don't know. I didn't talk to Davis about that at all.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #66

Executive Offices of the White House

November 3, 1933, 4.10 P.M.

THE PRESIDENT: Quite a mob today.

Q It must be the spring weather. They expect a good farm story.

THE PRESIDENT: I don't believe they will get any farm story. Haven't got to it yet.

MR. DONALDSON: All in.

THE PRESIDENT: What is the news?

Q That is what we want to know.

Q Mr. President, what is the significance of the fleet coming back from the Pacific Coast?

THE PRESIDENT: I think the only significance is that they have not been here for three and a half years. That is easy. A lot of people have forgotten what they look, like, also a lot of the officers and men who come from the east would like to see their families again.

Q They have kept them there so long. Is it that the need which kept them there does not exist any longer?

THE PRESIDENT: Who is that? Sounded like Charlie. Is that Charlie back there?

Q No.

THE PRESIDENT: It was a regular Charlie question. (Laughter)

No; really, that is the only significance, that they have not been back here for three and a half years and a lot of people want to see them.

Q Anything about gold, so that we can know what we are writing about?

THE PRESIDENT: No. Didn't Jesse Jones talk to you yesterday?

Q He told us he knew nothing about it yesterday.

Q And we believe him. (Laughter)

Q He said that you were the only man who knew. (Laughter)

THE PRESIDENT: Then I guess nobody does.

Q He said you did.

THE PRESIDENT: I don't know anything about it. (Laughter)

Q Anything new on the Civil Service rule?

THE PRESIDENT: No. To tell you the honest truth, we did not get to it in Cabinet meeting. I meant to ask Perkins about it and didn't.

Q Are you going to see Captain Miners this afternoon?

THE PRESIDENT: They were to see General Johnson as soon as he got back from New York; they are probably seeing him now. I told him that if they wanted to see me at half past five, they could.

Q Anything further from our midwestern governors?

THE PRESIDENT: No, still conferring with the Secretary of Agriculture.

Q Can you tell us something about your attitude toward the price fixing proposals talked about in the last few days?

THE PRESIDENT: I don't know exactly what you mean by "price fixing proposals". Perhaps I can talk to you for just a minute off the record again so that I can give you some idea, some of the results in agriculture. Well, let's start, say, in the South. Where, a year ago, the cotton growers got around $4\frac{1}{2}$, 5, $5\frac{1}{2}$ cents for their cotton, this year they made a pretty good crop which even was a good sized crop after he had plowed a portion of it under and, of course, he did get paid for plowing under that portion he did plow under. So, from the cash point of view, he is very distinctly better off this year. He got nine or ten cents for his cotton where, last year, he got not much over half that amount. So, while we don't think on a parity basis cotton is high enough yet, we think it is a pretty good job for a year. Undoubtedly the purchasing power in the South has tremendously increased. That that is so is illustrated by the remark that General Wood of Sears Roebuck made to me the other day. The reason I keep this off the record is that I don't want any of these people whom I quote approached. Sears Roebuck

sales in the country dropped off about this time last year, but Sears Roebuck sales in the South this year have gone up considerably, showing a very definite increase in purchasing power on the part of the agricultural communities and, of course, the South is primarily agricultural. For instance, in the State of Georgia, Sears showed an increase of 120% over the corresponding month of 1932. That is just an illustration to us that we are coming along in a satisfactory way this year, although we hope that next year we will get a higher price than 10¢ for cotton. That, however, we cannot talk about because it is next year; we don't know what the economic conditions will be.

Then, Number 2, the tobacco growing part of the country. There the tobacco farmers, because of this agreement we entered into, are getting 17 cents, I think it is, for their tobacco and their purchasing power has gone up relatively even more than that of the cotton farmers. 97% of them have signed up on acreage reduction for next year and the five big tobacco companies that do the buying of the tobacco have guaranteed a price of 17 cents for the average of this tobacco for the balance of this crop, which means about three-quarters of the crop which has not been sold. That is

a very large increase in the actual price to the tobacco farmer, so he is getting along pretty well this year.

Then you come down to certain other sections. Take, for instance, cattle. Cattle are very bad. Cattle, of course, were not included in the AAA. They were left out at the suggestion of the members of the Congress and the Senate from the cattle country and practically nothing have we been able to do in regard to cattle. They are very nearly at the low point and it is a serious thing.

Take the case of wheat. Taking it by and large, through the wheat belt, the farmer is getting for his wheat pretty nearly twice what he got last year but he has had a very, very short crop and if, as in many cases, he only has had half as much wheat to sell off his farm as he had last year, it does not help him an awful lot to get twice as much money per bushel for it. So, from the cash point of view, the wheat farmer has not felt nearly as much a return toward prosperity as the cotton farmer and the tobacco farmer.

In the case of corn and hogs we are up against one of the most difficult problems that anybody could face because it is not just a case of a crop, it is a case of a crop plus a thing that the crop goes into. In other words, there are two factors and we have laid down what

might be called a two-headed program which calls for a reduction in the number of hogs that will be fed next year, a processing tax which will pay for the reduction in hogs and, at the same time, purchase by the Government of just as many hogs as we can possibly use for relief purposes in order to cut down the tremendous surplus that exists in hogs at the present time.

Now, of course, there is always the other added difficulty in the case of hogs. Hogs are perishable. Wheat and cotton are not. Hogs have to be taken care of within a certain definite number of months. Wheat and cotton you can carry from year to year. What we hope is that we will be able to get the price of hogs up in the course of the winter, but that is not a guarantee that we can do it at once.

There, again, there hasn't been an adequate return and therefore a resumption of purchasing power in the corn-hog section of the country. It is not so good.

Then you come to another major crop, which is dairying. The actual price today in the dairy end of things is much nearer parity than it is in the case of corn or hogs or wheat. In the case of corn and hogs it is less than half of parity; in the case of dairying it is only down to about 25% below parity. They have had some

return of purchasing power, but not enough. There again you have a double thing. You have a perishable product, which is milk and cream, and the non-perishable, which is cheese and canned milk and things of that kind. You have the regional problem because of the use of milk and cream within regional areas. We are proceeding along the lines of the regional plan which we started in New York State about four years ago. I think they have signed up the New England Regional Agreement with the expectation that that will give materially higher prices in that particular region. They are working on a number of regional agreements which ought to increase the price of milk, at least to the dairy farmer. That, again, like corn and hogs, is a very complex problem and we haven't by any means solved it yet. I might as well be quite frank -- we hope that things will get better and we are working on it as fast as we can.

When you get to the question of price fixing, it depends on what you call "price fixing". In the case of cotton, we may do it by lending a certain amount of money up to a certain number of cents per pound; corn in the crib, we have done the same thing. On the other problem of regions -- in some sections of the country, if the farmer can get, well, let us say, 70 cents for

his wheat, they will do fairly well and in other sections of the country if they get 70 cents they will go broke. Well, can you have one price in one section and another price in another section? There are a great many different problems that enter into it.

In North Dakota, at the present time, the wheat that came from further south was sold at higher prices, some as high as 95 cents a bushel. North Dakota wheat, because it is the furthest north, comes in the latest and they have sold hardly any wheat in the market, therefore they have suffered from the speculative slump that brought it down to 67 cents. Those are the things we are all considering.

I don't know that there is any particular story in this. I am trying to give you gentlemen a view of the situation -- on the major situation. Things are pretty good in some sections and pretty rotten in other sections.

Q What is the plan that the governors are working on now?

THE PRESIDENT: I don't know; I couldn't tell you.

Q Any debt developments you can tell us?

THE PRESIDENT: Nothing new on that.

Q Can you tell us whether the conversations have narrowed down?

THE PRESIDENT: No, because I am not taking part in those conversations. Just the British and Acheson.

Q This farm summary which you gave us off the record, might we use that as background, eliminating the reference to Sears Roebuck?

THE PRESIDENT: Yes, eliminating reference to the White House.

Q Can you give us any information or background on the results of your new gold program, without going into it?

THE PRESIDENT: I don't think so, because, after all, on this gold thing, it is as Jesse Jones told some of you yesterday. For instance, you take the stabilization fund in England. The results and figures are never given out on that. Nor do they do it in France or in any other nation which is conducting anything in the way of central banking operations or government operations.

Q Has either of those countries made anything in the nature of a protest to us?

THE PRESIDENT: No.

Q They will know over on the other side, where the purchases are made, in the Banks of England or France?

THE PRESIDENT: Oh, yes.

Q They will know what your purchases are?

THE PRESIDENT: I suppose they disclose it just the way they would any other purchase or sale through their own banks.

Q They refused to yesterday.

THE PRESIDENT: Did they?

Q The Bank of France said that they do not disclose the dealings with customers.

THE PRESIDENT: Then it does not get disclosed.

Q There are back stairs there, too. They let it out to their friends.

THE PRESIDENT: Yes?

Q On this farm thing, you are depending, of course, on the AAA, are you not? You think that will pull us through, or have you something new in mind?

THE PRESIDENT: (No answer.)

Q The fact that there have been no protests of any kind would indicate that there is accord, that they understand what you are trying to do -- boost commodities?

THE PRESIDENT: The objective has been declared from the very beginning. This country was told the objective and they were told, too. We were very careful to do that and to explain that we didn't want to do anything that would possibly hurt them.

Q Do you think they believe it?

THE PRESIDENT: We told them the truth about the objective. I think they believed that. I don't see any reason for believing anything else.

Q Are you going to do anything about silver soon?

THE PRESIDENT: I don't know; frankly I haven't any more idea than you have.

Q John Costello told us the other day --

THE PRESIDENT: Yes?

Q Is that true?

THE PRESIDENT: Is what true? (Laughter) No, I will tell you off the record that John Costello submitted several names to me and I have resubmitted the names to various members of the Cabinet.

Q Will you make the announcement before you go away?

THE PRESIDENT: Isn't that crowding me an awful lot? (Laughter)

Q Mr. President, there is a report that the Governor of Hawaii is going to be relieved of his post soon.

THE PRESIDENT: I haven't heard a word about it.

Q Mr. President, there is a report that some very big or special relief program has been proposed at the White House. Have you heard anything like that, sir?

THE PRESIDENT: That is true and it is not true. What you are talking about is this -- I don't see why you shouldn't use it and simply say that it is under discussion at the present time.

Out of the total number of people who are now on the relief rolls in the country which, as I remember it, is slightly over five million -- five and a half million --

Q Fifteen million.

THE PRESIDENT: That includes the members of their families.

It is about five and a half million individuals or heads of families that are receiving relief. That out of that number, about one half -- nearly half -- about two and one half million are engaged in public works of various kinds; in other words, they are receiving what we call work relief. They are being paid in cash for the work that they do on all kinds of public works.

Now, the suggestion has been made that if the public works fund of three billion three hundred million could take over 30% of the total cost of these public works which are now being financed altogether by states and municipalities and Harry Hopkins -- if the public works fund could take over the 30% which they subscribe to other forms of public works in that fund, it would be possible to take all of these two and one half million people who are now counted as being on the relief rolls and take them off the relief rolls altogether.

Q And put them to work?

THE PRESIDENT: Continue them on their present work but give them a little more work so that, for example, the man who is working two days a week and getting ten dollars would get three days. Suppose he is a skilled man, a five

dollars a day man working two days a week for ten dollars. He would be given work three days a week and would get fifteen dollars, so that he would be actually getting wages instead of work relief.

There is a great deal to be said for it. It represents a slight additional cost to the Federal Government in one sense. However, it is not any additional cost in the other sense, because it comes out of the three billion three hundred million just as much as if that were allocated to some other public works on a 30% basis. But the main point is that it takes two and a half million people off the relief rolls and there are a lot of people that would rather be off those rolls and working for cash than have their names on the rolls getting relief. It adds to the self-respect of the country and we are trying to find out whether a plan of that kind is a feasible thing to do. It would cut the number of families on relief very nearly in half.

Q Aren't they doing that to some degree now?

THE PRESIDENT: They are doing that to a slight degree at the present time.

Q I am a little stupid. How do you take those two and a half million off the rolls? That is what I don't get.

THE PRESIDENT: Let me give you a very simple example: Suppose you have been out of work for a long time and have to have relief and suppose you are a five dollar a day man with some kind of trade. You have to go and apply for relief. You are out of a job -- your family starving. They say, "All right; go over there to that particular park where we are trying to clean up, putting in new sidewalks and fixing it up. We will give you two days a week work and pay you ten dollars." You are on the rolls. You and your family are on the public rolls and they give you ten dollars a week. On the new basis you are employed three days a week and you are taken off the relief rolls entirely.

Q Who pays for it, the Federal Government or the State?

THE PRESIDENT: It means today you work two days and get \$10. Out of that the City and State pay two-thirds and Harry Hopkins the other third. On the new basis you get \$15 and of that \$15, 30% would come from Harold Ickes as Public Works Administrator, 30% of the \$15. The other 70% of the \$15 would be divided, as it is today, between the State and the municipality and Harry Hopkins. Is that clear?

Q Yes.

Q In connection with the Federal pay cut, have you received any reports on the cost of living survey?

THE PRESIDENT: I asked Perkins and she said they are still hard at work and it isn't ready yet.

Q The statement of the Postmaster General last night that he was voting for Joseph McKee has been variously interpreted in the New York papers, of course, and I wondered if you could suggest the correct interpretation.

THE PRESIDENT: As to what?

Q As to what the Administration feels -- whether it tends to approve --

THE PRESIDENT: I can only repeat that I am taking no part in any municipal elections. I am going to vote at Hyde Park and it will be by mail this year.

Q What do you think of the Swope plan?

THE PRESIDENT: I think it is very interesting. There were two very good things in the papers this morning. Let us talk off the record again. One was the editorial in the Wall Street Journal. It is very good and very clear. The other story, which was very good, contained some excerpts from the speech that Arthur Krock made yesterday. And they both fitted in very well together and they are both very sensible.

For instance, the Wall Street Journal -- I have just marked a couple of things here -- the Wall Street Journal says that Mr. Swope evidently accepts this as an incapable condition of the times. So does President Harriman of the United States Chamber of Commerce and so does Floyd Carlisle, if one may judge from his speech to the Bankers Association. Then Arthur Krock, in his speech in Toronto, carries out the same theory, "A plan, economic in form," he said of the program, "has been enlarged and fashioned into an instrument of social welfare. Its precise aim is to restore the normal flow of trade, raise prices and reduce unemployment.

"But its larger objective is to bring comfort and living security to the greatest number of people. Whether or not you believe it is wise, just or can work, you should judge it on that basis."

And then he said, further on, "those in charge of our government policies at this time are not complacent. The sufferings of society are uppermost in their minds, and what they are trying to do is to relieve these through new economic measures."

Now, of course Mr. Swope's plan is a very interesting theoretical suggestion in regard to some ultimate development of NRA. Probably there will be, in the course of the next two or three months or four months about 499 other plans looking to the future development

of this economic and social experiment called NRA. And I think that all the discussion that there is about it is to the good. It does no harm at all because ultimately the mere -- what might be called the temporary mechanics of NRA we have seen going on these past few months will develop into something permanent which will have the two fold object of preventing the tremendous economic swings

of the past with a certain amount of perhaps pseudo prosperity at the top and great suffering at the bottom, running down to the depression period when everybody is suffering. Trying to build on that should prevent recurrences of the swings and encourage certain ameliorations of the conditions suffered by the people at the bottom. Now, that is the awfully interesting thing about it and the more discussion about it the better.

Q Do you think the present is the time for the change suggested?

THE PRESIDENT: No change at this time. We still have to work on NRA.

Q It would be a question of months?

THE PRESIDENT: At least, yes.

Q Do you think the Government should keep control over that ultimate organization or machine for this objective you have outlined?

THE PRESIDENT: The easiest way to answer that is to ask you a question: Do you think that industry is yet able to run itself? That is the simplest answer.

Q Do you want my answer? No.

Q General Johnson said it would not do at all.

THE PRESIDENT: There is a lot so new from the point of view of Government and industry that industry has to develop along all kinds of lines in order to make itself capable

of running itself. They are only beginning. They have never attempted before these new conditions they are trying today. Take, for instance, shoes. We have enough machinery in the country to turn out 900 million pairs of shoes -- shoe factories that can turn out that many shoes -- and we only use in this country about 300 million pairs of shoes. Now, is the shoe industry, as an industry, capable with absolute fairness to every individual, of handling the problem of the excess manufacturing capacity? And at the same time of not preventing the improvement of the shoe industry as a manufacturing unit? Now, we don't know. They have only just begun. At the same time, Government isn't infallible by any means. Government is only beginning to learn a lot of these new tricks. We are all going to school.

Q Do you think we will reach such a top?

THE PRESIDENT: It will never be a top, but better than in the past.

Q Do you think the industrial magnates will give us a square deal?

THE PRESIDENT: That all depends on the future.

Q About the future of NRA?

Q Was this all off the record?

THE PRESIDENT: Yes.

Q I wish there were some way of using it.

THE PRESIDENT: I think you can use that.

Q From the White House or on our own?

THE PRESIDENT: I think it is all right to let you use it
from the White House. It is perfectly innocuous.

Q When will you release the report of the Liquor Committee?

THE PRESIDENT: I haven't got it yet. It is coming in tomorrow night.

Q Anything about the Puerto Rican situation?

THE PRESIDENT: No. I think the Secretary of War heard from
Governor Gore that he has got to go to a hospital. You
had better check with him on that.

MR. STORM: Thank you, Mr. President.

CONFIDENTIAL

Press Conference #67

Executive Offices of the White House

November 8, 1933, 10.55 A.M.

MR. DONALDSON: All in, Mr. President.

THE PRESIDENT: Friday, I told you just the beginnings of a story about this plan to take people off the relief rolls and give them regular employment. The plan has now been put through. I will read the high spots in the plan and I think Steve (Mr. Early) might just as well have it mimeographed and give it to you afterwards. (Reading) Four million men now out of employment will be put to work under a plan announced by the President. Two million will become self-sustaining employees on all kinds of Federal, State and local public work projects on November 16. These two million people will be taken completely off the relief rolls. In other words, they will be paid wages, instead of work relief. An additional two million we are going to try to put back to work as soon thereafter as possible. In other words, we hope by the 15th of December.

The plan will be administered by a department or division -- I would not call it that, it really is a new administration of Civil Works -- the Civil Works Adminis-

tration, and I have appointed Mr. Hopkins as Administrator of that Administration.

The Civil Works Administration will be financed jointly by funds from the Public Works Administration and the Federal Emergency Relief Administration, but the States, cities, counties and towns will, as usual, be required to provide the funds to meet their share of the Civil Works program.

The Public Works Administrator is prepared to make an amount available to the Civil Works Administrator which may run as high as four hundred million dollars. That will come out of the three billion three hundred million dollars.

The two million men comprise those now on work relief provided by local relief administrations operating under State and Federal emergency relief administrations, and they will be placed on regular pay at the hourly rates prevailing for similar work in the community. The program contemplates a 30-hour week for the workers.

Work relief divisions of the existing State and local emergency unemployment relief administrations will be modified to perform the expanded employment activities, and will be known as the Civil Works Divisions. In other words, this does not mean setting up entirely new machinery.

It means transferring, almost entirely, the present relief administrations in all the various cities and counties throughout the country and making them Civil Works Divisions.

Creation of the new agency constitutes a fundamental change in the Federal program to deal with unemployment aspects of the depression. It will remove from the relief rolls a major portion of those receiving the necessities of life on the basis of public aid and place them on regular employment. It is designed to remove from relief all employable persons. Those hired by the Civil Works Administration will benefit by an immediate increase in income over their former relief allowances.

The projects on which the workers will be used will include not only the type on which work relief is now being given, but also a wide range of employment in activities bordering on but not covered in the province of the Public Works Administration. I suppose the easiest example you can use, and that is the cleaning up of a city park, that kind of work that the Public Works Administrator cannot quite stretch his authority to cover.

This expanded field will enable the local Civil Works Divisions to undertake considerably more construction and to use greater quantities of construction

materials. Work relief has been limited almost entirely to work involving a minimum of materials, since expenditure of emergency relief funds under this method was necessarily confined to relief allowances in the form of work-relief wages.

Approximately 3,000,000 families are now being cared for throughout the country by public relief administrations financed in whole or part by Federal emergency relief funds.

Approximately 2,000,000 adult members of these families are earning relief in the form of wages for part-time employment on made-work projects. The total amount earned by the members of any one family is less than \$20 a month in most of the localities.

By this one stroke at least two-thirds of the families in the country now receiving relief will be placed on a self-sustaining basis.

Then, in connection with that, we got a very interesting report yesterday which gives some very simple figures as to what has been accomplished since last April. In April there were 4,500,000 families on relief. That has been almost steadily cut down, week after week, and it has been cut from four and a half million to three

million. In other words, we have removed one and one half million families from the relief rolls. During the month of September, of course we are always behind in these figures since it takes so long to get them in from the counties -- during the month of September alone 250,000 families were taken off the relief rolls and they represent slightly over one million people.

Q Mr. President, that is all relief rolls, both state and Federal?

THE PRESIDENT: Yes, state, Federal, county, municipal, etc.

And yesterday, at the Council meeting, the Secretary of Labor reported that -- and for the long-faced gentry throughout the country this will come as a terrible shock -- reports that a survey of industrial disputes, made on a basis of comparisons with the last previous comparable period, 1921, when we were beginning to snap back out of the post-war depression, shows that in the six summer months of 1921 there were 1453 strikes and lock-outs, and in 1933 there were 900. In the 1921 period 895,000 employees were involved in those strikes and lock-outs. In the same period this year 584,000 were involved. The Secretary of Labor said that this indicates, of course, that there is no need for the public to become in the

least bit alarmed over present disputes. On the basis of man hours, the number of actual working hours involved, the comparison is even more favorable because, of course, in 1921 the average day's work was a great deal higher than it is today.

The Interpreting Economist -- there is nothing new in these sheets compared to the previous week -- shows a rise in farm prices during the week ended October 25 from about 50 to 52, and it shows a rise in the prices paid by farmers from -- wait a minute, it is a very slight rise, less than 1% -- you can just barely see the curve go up a little. Retail food prices during the summer period have not gone up at all. As a matter of fact, they have gone down a fraction of 1%. On the big chart of the wholesale markets, all commodities show a rise of less than 1%. They all show a very, very slight rise, except hides and leather which, you will remember, had taken a bigger jump upwards than any other commodities.

Q Mr. President, how long are these people going to be employed, for how long a period?

THE PRESIDENT: This particular employment is intended to last through the worst part of the Winter, until what we hope will be the normal, seasonal Spring pickup; in other words,

through February. The normal Spring pickup generally comes along about that time, at the end of February or the beginning of March. This will tide over the worst of the Winter period.

Q Mr. President, it will end in the Spring?

THE PRESIDENT: Well, it won't -- it won't end of necessity in the Spring. We expect and hope to get some more appropriations out of Congress. It will have to be cut down, undoubtedly, in the Spring.

Q Mr. President, Pittsburgh elected, I think it was a Democratic Mayor out there. They are very anxious for some comment from you.

THE PRESIDENT: What did Oshkosh do? (Laughter)

Q I don't know; they all seem to be kicking them out. (Laughter)

Q Bridgeport, Connecticut, elected a Socialist. (Laughter)

Q Did anyone ask about New York?

THE PRESIDENT: No; I think no comment on elections - obviously.

Q On this forty-day limit of Civil Service; did you talk on it?

THE PRESIDENT: Yes.

Q I believe they are making a statement today.

THE PRESIDENT: I think they are making a statement today for you.

Q Do you happen to know what it is; can you make some comment?

THE PRESIDENT: I have a sneaking suspicion of what it is going to be.

Q It has been given out, I think.

Q Mr. President, there has been a report that you have under consideration a bill with respect to the economy cuts of the disabled veterans -- that is, to increase their allowance from 90 to 100 maximum.

THE PRESIDENT: Only that we are still studying it. We have not come to any definite determination on it yet. It is a little premature. We haven't come to any decision.

Q Can you tell us anything about the delegations in Montevideo?

THE PRESIDENT: Hasn't that been given out?

MR. EARLY: It will be given out late today.

THE PRESIDENT: It is going to be given out late today. I think the only possible change, and that has not been decided on definitely, is whether we can spare Caffery to go down there at this time. This is for background. As you all know, the original plan away back last Summer was that Sumner Welles would come back and go down to Montevideo, and that Caffery would take the place of Sumner Welles in Cuba. Of course, that arrangement had to be thrown overboard and Welles is staying in Cuba

and it is possible that Caffery will stay here.

Q Can you give us any background on the conference with
Litvinoff?

THE PRESIDENT: No, except that they are coming to lunch. As you all know -- and this is for background -- on anything of that kind, both sides arrange three or four hundred pages of material of all sorts, details and figures, and then they start to go through this large volume of things and they use the process of elimination. The first part of it is rather mechanical, it is rather a mechanical procedure, keeping in very close touch, personally, at all times. Of course, there is no use sitting in when going into the details and figures. Litvinoff is coming to lunch, and I will probably have a talk with him after lunch and see him again, probably tomorrow evening.

Q Anything done about the liquor reports?

THE PRESIDENT: There (indicating) is a part of it. But that is only one section. It has not even been opened. We are having a meeting Thursday or Friday.

Q What will that take up, Mr. President?

THE PRESIDENT: It will take up all the various liquor reports.

Q Who will be at that meeting?

THE PRESIDENT: The State Department will be represented, the

Department of Agriculture, the Attorney General, the Department of Commerce; I think that is all.

Q Treasury -- Tariff?

THE PRESIDENT: Treasury.

Q That will be to consider this prohibition situation entirely?

THE PRESIDENT: Yes, the whole thing, including grain alcohol and black strap molasses.

Q How about gin? (Laughter)

Q Did you find your conversation with Litvinoff satisfactory?
Do you contemplate appointing an Ambassador right away?

THE PRESIDENT: That is too much of an "if" question.

Q Did the figures you referred to, were they the same that Miss Perkins gave out about a week ago?

THE PRESIDENT: I don't know; she brought them in to the meeting.

Q The Annalist, in commenting, said that the figures of the Labor Department, while they are correct, failed to show that the strikes were rapidly rising in number in 1933, during the last three months, while they were decreasing in 1921 and that the number in 1933, during the last few months, was really larger than the number in 1921.

THE PRESIDENT: Well, let's give the other side in order to make it fair. That statement of the Annalist may be perfectly true but, on the other hand, this year there were

a great many strikes that were called for what might be called "test purposes", in order to get an immediate entrance of the National Labor Board into the situation. They were what might almost be called "friendly strikes". To give you an example, the strike way back, two months ago, by one of the garment unions in New York City. That strike, you might almost say, was called by agreement between the decent employers and the Union in order to lay down certain rules and create an agreement to eliminate the sweatshop conditions in New York City.

Now, I suppose that the Annalist might figure that that was a very, very large strike affecting 40,000 people. I don't know that the word "strike" really applies to that kind of a cessation of work. It is done with a distinct objective, agreed to by the employers and the employees. Is it a strike? I raise that question.

Then there is another thing which must be remembered always. In periods of rising prosperity and greater employment you always have an increase in the number of strikes for the very obvious human reason that an individual who is employed doesn't strike if he can possibly help it when unemployment is rising because if he strikes and it doesn't work he has no chance to get a job and he

is thinking about the food for the family the next day. Therefore it is a pretty encouraging thing to see people who have the guts to stand up for their own rights and it means that they feel that they can get employment somewhere else if they are thrown out.

MR. STEPHENSON: Much obliged, Mr. President.

CONFIDENTIAL
Press Conference #68
Executive Offices of the White House

November 10, 1933, 4.10 P.M.

(The Secretary of the Interior was present at this conference.)

THE PRESIDENT: You will remember a number of weeks ago, in fact a couple of months ago, I talked about the study we are making in regard to postoffice buildings all over the United States, particularly for towns which did not do a great amount of business. We have finally come through not only with a definite policy but also with a definite allocation of money, and a definite decision as to the locations of these postoffices.

The policy is to allot public works funds for the construction of needed postoffices of a sensible utilitarian character instead of the monumental edifices which have been built in past years. The application of this rule of reason by the Federal Emergency Administration of Public Works has made possible a justification for a number of new postoffice structures at a greatly reduced cost, structures which will serve all the requirements of the communities affected and also give them the benefits of wider employment during construction. In place of the characteristic elaborately ornamented structures of stone which are frequently produced as new postoffices, more modest and more fitting buildings which will save the government literally millions

of dollars are going to be built. The Supervising Architect of the Treasury has completed an extensive study of this type of structure in many towns and cities and reports that this type of structure is both advisable and practical.

Without sacrifice of space or working conditions, the new type of structure will provide the government with the facilities required to give good postal service.

Suitable sites will be selected in localities picked with a view to improving the service. These sites will not necessarily be the most prominent and expensive corners but will suit the convenience of both postoffice workers and users.

Realizing the changes recent years have made in the use of the postoffices and that in sizable communities the postoffice no longer serves as the town meeting place (laughter) and citizens rely on delivery service, special attention will be given to delivery facilities in connection with the new structures.

Local materials of a suitable nature will be used wherever feasible in the buildings instead of expensive stones transported a long distance.

Sites will be secured by the Government in the regular manner and the postoffice contracts and construction will be supervised as heretofore.

The sites and the allocations of money will be announced by the Interior Department but the Secretary of Interior tells me that there are about 180. Is that right?

MR. ICKES: About that in this list.

THE PRESIDENT: The actual saving of money because of this change of type will be about 51 per cent.

Q What is that based on?

THE PRESIDENT: Fifty-one per cent over the existing methods of building postoffices. They will be less than half the cost of the previous type of postoffices the government has been putting up.

Q How does it compare with the present cost of operating postoffices in those towns? Is there a saving?

THE PRESIDENT: In almost every one of those 180 cases the cost of operation -- the new facilities will be justified because of the much lower overhead.

Q What size towns?

THE PRESIDENT: There are three types.

SECRETARY ICKES: There are three types, 5000, 10,000 and 15,000 to 20,000.

Q About how much money is involved?

SECRETARY ICKES: I don't know; that will be part of the release.

THE PRESIDENT: You had better get that from the Department of the Interior.

MR. EARLY: Everything will be available at the Interior Department.

THE PRESIDENT: When do you start?

SECRETARY ICKES: Start right away.

Q What happens in the cases where the architects have been appointed and the plans drawn?

SECRETARY ICKES: Most of those plans can be adapted. Practically no change in floor space or space arrangement.

Q The cities have been picked?

SECRETARY ICKES: The towns have been picked, yes. You can get the names of the towns and the amount for each town.

THE PRESIDENT: And they were, as I remember, in almost every case, towns which already had the approval of Congress.

Q The dispatches from Moscow this afternoon state that the terms of the recognition agreement have reached there and have been given to Soviet leaders for information. The White House statements have not indicated that discussion had reached that far.

THE PRESIDENT: I think the White House statement is the correct one.

Q Mr. Litvinov is coming in tonight for a friendly discussion, is he not?

THE PRESIDENT: I don't think there will be any news. I think it will be the usual communique to the effect that we are making progress. I can almost tell you in advance that the communique will report progress.

Q How much? (Laughter)

Q You say there will be on coming out tonight?

THE PRESIDENT: I don't think it is necessary because it is a personal talk between Mr. Litvinov and myself. I think it will save everybody's time -- I know and he knows that there won't be anything coming out so why not let it go at that.

Q Will you talk alone?

THE PRESIDENT: I think so.

Q Will Secretary Hull be there?

THE PRESIDENT: I don't think so. He is sailing tomorrow morning. Of course we may ask people to come in with figures and things like that.

Q It is beginning to look as though there won't be recognition before next week.

THE PRESIDENT: Well? (Laughter)

Q Will there be recognition?

THE PRESIDENT: I think you had better put it this way, that some of the stories written were premature.

Q In connection with postoffices, Postmaster General Farley does not seem to be very well informed on local matters. (Laughter) We have depended on him for the nominations in the District of Columbia. May we ask the President to give us some definite information on that subject?

THE PRESIDENT: Jim said to me this morning, "Some day we ought really to get together and talk about the District of Columbia." (Laughter)

Q Is there any plan afoot whereby the R.F.C. would purchase silver?

THE PRESIDENT: Not that I know of; I haven't heard anything about it at all.

Q Any new plans on the monetary program at all?

(The President did not answer)

Q Anything about the sharp drop in the price of Government Bonds?

THE PRESIDENT: No, I don't think it is necessary to say anything except that, as background, you can use my general theory that Government Bonds are pretty darn good.

Q Mr. President, I understand that Mr. Hopkins, the Relief Administrator, has his relief program pretty well whipped in shape and I was wondering if he isn't going to put in his first order for coal fairly soon on the coal purchasing program?

THE PRESIDENT: I don't know.

Q I heard a report that it will be on Monday?

THE PRESIDENT: I have not talked to him about coal except to turn over to him the gentlemen who came down from the anthracite region.

Q Anything on that yet?

THE PRESIDENT: I sent them over to see him and to talk with him about it.

Q Can you discuss Cuba with me this afternoon?

THE PRESIDENT: No; we have nothing except what you saw in the press dispatches. There isn't any other news.

Q They are having a hot time, you know.

Q Do you care to discuss the liquor program, the details of it?

THE PRESIDENT: Nothing much. We talked yesterday about

what might be called the three periods. The first is the period between now and the formal action on repeal, which we assume will be December 5 or 6, and it was generally agreed that during this period between now and December 5 or 6 we should, in order to prevent a cornering or unfair prices and inordinate profits to the bootlegging fraternity, allow a normal average amount, a total amount of liquor to come in. That was put up to Dr. Doran and, as I remember it, his statement was that the average amount would be somewhere around 250,000 gallons in the month, that being divided up again, according to the average, between different types of wines and different types of distilled spirits.

Then we came to the question of whether, from the period between December 5 and any action by the Congress, the medicinal quota applied and I think, as I remember it, the Attorney General held that it did not apply.

Now, you had better check on this because my memory might not be right but my general impression was that on December 5 or 6 the old tariff goes into effect and the medicinal quota goes out. Now, of course the old tariff schedules that do go into effect -- I suppose you can get this from the Treasury Department -- are pretty high. For instance, in the case of distilled spirits it is about five dollars plus about a dollar and twenty cents excise tax, which makes a total of about \$6.10.

Q That is proof gallons. It means about \$2.70?

THE PRESIDENT: That is before it is rectified.

Q How about the third period?

THE PRESIDENT: And then, in regard to the third period, we are still discussing it. One of the things that is being discussed is whether through the use of the N.R.A. and the AAA Code Authority we could immediately, after the fifth of December and until Congress acted on it or failed to act on it, either one, put into effect some form of licensing, especially in the case of distilled spirits.

Q Would that indicate, sir, that there has been an agreement reached with distillers?

THE PRESIDENT: No; it is all in the very, very preliminary stage of discussion.

Q None of that has been discussed?

THE PRESIDENT: No, none of it discussed at all. Merely a question of working out a policy.

Q To return to the Russian question --

Q Let us finish Prohibition, if you don't mind. (Laughter)
How about new taxes on Prohibition?

THE PRESIDENT: Haven't even been discussed here at all.

Q Have you discussed the question of repealing existing taxes under the last tax bill?

THE PRESIDENT: No, we haven't got to taxes at all. That will be a matter for Congress to act on. What we are working on now is the next 28 days and then the period between

December 5 and action by the Congress.

Q Do you think you can license dealers under the AAA?

THE PRESIDENT: Yes, some form of licensing would be possible.

Q That would prevent wild-catters getting into the business?

THE PRESIDENT: It would also be directed toward the prevention of over-importation and it might also prevent just dumping the whole thing in the lap of Congress and praying to Heaven that something will come out. In other words, with a Government policy in existence, they have something to take as a basis and then decide any way they wanted to. At least they would have a basis to work on.

Q What about the smuggling of liquor?

THE PRESIDENT: Yes, the Treasury Department is standing absolutely ready to continue its coast guard and international boundary operations to keep smuggled liquor out.

Q Wasn't there an alternative plan for AAA control?

THE PRESIDENT: There were over a half dozen alternative plans. They all fell under some form of AAA or N.R.A. control.

Q How about a corporation?

THE PRESIDENT: That would fall under it too. It is still in perfectly vague stage.

Q Are you going to meet with them pretty soon to go further into the situation?

THE PRESIDENT: Yes, I think probably somewhere around Tuesday or Wednesday of next week.

Q Attorney General Cummings yesterday mentioned some sort of possible restrictions which were just generally spoken of as a curb on imports -- a permanent curb on imports. Have you any ideas on that that you might give us?

THE PRESIDENT: I don't know what that is.

Q It is limitations on imports, generally.

THE PRESIDENT: Whatever is done would be done through the code method.

Q Have you reached a conclusion as to how high the tax can be made without encouraging bootlegging?

THE PRESIDENT: I haven't done anything except look at columns of figures as to what the tax will be on December 5.

Q That would be interesting.

THE PRESIDENT: I cannot quote it from memory and haven't the figures here. I see no reason why that should not be announced by the Internal Revenue people or by the Customs people.

Q That is the existing law?

Q That is what it is for the time being but there has been a pretty general sentiment that a permanent tax of three dollars or more would rather encourage than discourage the bootlegging fraternity. Is there anything you can say on that?

THE PRESIDENT: We haven't got as far as that. The only thing we are trying to discover is what does go into effect on the fifth of December.

Q Has anyone advanced a report in connection with the consideration of tariff? I believe that in all discussions they would have to have a report here and there has been none since Prohibition, unless they have some figures on the importations of the bootleggers.

THE PRESIDENT: You are over my head.

Q I am over my own head too. What I was trying to say was that in enquiring about tariff proposals recently I was told that there could not be any definite proposition made until they had reached an opinion based on representative years.

THE PRESIDENT: Well, I think I can answer that question by saying that somebody yesterday, I have forgotten who it was, said they had checked up on the average 1909 to 1914 period. Does that answer the question?

Q Was that the only period they had used?

THE PRESIDENT: I know that was the period they were using.

Q Is it your intention to proclaim the repeal of the Eighteenth Amendment on the date of its repeal or until January 1?

THE PRESIDENT: I think that goes through the regular form in the Secretary of State's office.

Q Because of the tax law appended to the N.R.A. bill that proposed a five per cent tax on dividends withheld at the source, you have to proclaim the Amendment repealed in order to get these taxes repealed, do you not?

THE PRESIDENT: I will undoubtedly have to proclaim it.

Q There is agitation for abolishing capital punishment in the District of Columbia. I would like to know your views on the subject.

THE PRESIDENT: That was asked me when I was Governor of the State of New York for four years. Probably the easiest way of putting it is that it is a legislative matter. My own personal belief is that I would like to see capital punishment abolished throughout this country but, on the other hand, every law enforcement officer with whom I have ever spoken -- not every one but the overwhelming majority of them -- believe that capital punishment is a definite and distinct deterrent of murder. It is, primarily, a legislative matter.

I am in the unfortunate position here, as I was in Albany, of having to pass on the question of the death penalty; it is the most disagreeable function that a governor or the President has to perform.

I think that covers the whole thing in as few words as possible.

Q If Stevie (Francis Stephenson) has enough liquor, may I return to Russia?

Q (Mr. Stephenson) Help yourself.

Q I wonder if, after the discussion tonight, discussions will be resumed at the State Department or here?

THE PRESIDENT: I don't know.

Q Nothing definite?

THE PRESIDENT: It is just pure guesswork on my part but I suppose the natural thing will be the State Department.

Q From something you said, are we to understand that on December 5 or 6 or shortly after you will wipe out all of the taxes voted by the last Congress?

THE PRESIDENT: What do we do?

Q It is automatic under the law.

THE PRESIDENT: I guess I had better send for Homer Cummings (laughter).

Q There isn't any question of those taxes, where they are being -- (interrupted)

THE PRESIDENT: This is the first time I had heard about it.

Q When you asked for this increased taxation to meet the expenditures on public works, you asked that they be applied until Prohibition is repealed. And, under the law which Congress passed, those taxes are repealed when you proclaim the repeal of the Eighteenth Amendment?

THE PRESIDENT: Now I know, yes. I would have to look up the language of the act. It would give me discretion to defer?

Q It did not say anything about discretion. It said that whenever the President shall proclaim repeal, these taxes are automatically repealed as of certain dates.

THE PRESIDENT: I will have to give you an absolutely horseback opinion on it. In good faith I suppose I would have to proclaim the repeal. Now, the time I would proclaim the repeal would normally be when the Secretary of State is notified by the 36th State and as soon as he is notified by the 36th State then, normally, I would issue the proclamation.

Q The argument has been made that you could forget about it until after the first of January and then the taxes would remain in effect another year?

THE PRESIDENT: I don't think that would be good faith.

Q When do you expect Ambassador Welles to come back?

THE PRESIDENT: How old is Anne? (Laughter)

Q I don't know.

(The Press Conference adjourned at 4.30 P.M.)

CONFIDENTIAL

Press Conference #82

Executive Offices of the White House

December 29, 1933, 4.15 P.M.

THE PRESIDENT: Well, what is the news?

Q That is what we would like to know.

THE PRESIDENT: I think everything is all quiet. No message written yet, no budget message. We are still scribbling lots of figures and essays and so forth all over sheets of paper. I am living with sheets of paper.

Q What seems to be the trouble on that, Mr. President?

(Laughter)

THE PRESIDENT: What?

Q Any trouble on this budget?

THE PRESIDENT: You can figure it out any way at all. You can make it come out ten billions plus or minus, depending on the way you sharpen your pencil. (Laughter) That is my present frame of mind.

Q Can you tell us anything about the conference this afternoon with General Johnson, Senator Nye and Senator Borah?

THE PRESIDENT: Oh, I think so. It was merely a preliminary conference to discuss some of the new problems which have been raised through the actual operation of NRA. We have had two worries, not only Senator Borah and Senator Nye,

but General Johnson and myself. The two worries are that the operation of some of the codes may work out in such a way that big business will be benefited to the detriment of the little businesses. The other problem is that certain developments would tend to show that some industries believe that the Sherman Anti-trust Law principle has, in some mysterious way, been abolished by the NRA Act which, of course, is not so.

What we are seeking is the method of answering those two questions. The first is the adequate protection of the little fellow against the big fellow, and, secondly, the retaining of the principles of the Sherman Anti-trust Law.

That is about as far as we got. It was just a preliminary discussion as to how to go about it.

Q Will that lead to legislation or be largely administrative correction without legislation?

THE PRESIDENT: So far as the protection of the little fellow goes, it can probably be done administratively. So far as the clarification of the retention of the Sherman Anti-trust Law goes, we may have to make the language of NRA a little bit more clear by legislation.

that the operation of the NRA must drive the marginal producer or business man out of business?

THE PRESIDENT: That is a pretty broad subject and there is a lot in it. Well, the simplest way of putting it is to give an illustration. What are you going to do in the case of shoes? There are enough shoe factories in the country today to turn out 900 million pairs of shoes a year and we only wear about 325 million pairs of shoes a year. There is a certain limit to the number of shoes a human being can wear in the course of a year. What shall we do in case you decide to go into the shoe business tomorrow and start a brand new factory? You only complicate things. Well, those are the things we have not solved yet. Or suppose you have a thoroughly inefficient show, what are we going to do about it?

Q If I am a little fellow, a little inefficient fellow, I am going to be the fellow that comes to the Board.

THE PRESIDENT: You might be a big fellow. Inefficiency is not necessarily based on size. It is a tremendously interesting problem. We have not solved it yet.

Q On the same question, there has been some suggestion that the NRA Law might be broadened to give loans to industry through the mortgage companies or in some way. Has that been discussed?

Q Mr. President, does this first proposal contemplate taking more of the small retailers out than were taken out in this order that was put through some time ago? How do you intend to tackle that administrative problem?

THE PRESIDENT: Probably through the setting up of some better machinery for the protection of the little men. As I say, we haven't got to the details of it yet. We did discuss the possibility of some board that would act towards that problem in the same relative way as Senator Wagner's Board has functioned in regard to disputes between capital and labor.

Q Can you tell us what the disputes are between those two classes of business men? What is the dispute between the business men?

THE PRESIDENT: A lot of little fellows have thought that they might be forced out of business and we want to avoid that, and there will have to be somebody for them to go to.

Q Go to for modification of the code?

THE PRESIDENT: No, to go to to check up their particular case. In a great many cases, probably the majority, it would not involve modification of the code itself. It would be merely a question of saying what is a fair practice.

Q Mr. President, doesn't this bring up the inevitable fact

THE PRESIDENT: That would not come under NRA anyway, it would come under RFC. No, we have not discussed that at all. Loans can be made today, under the present law, to mortgage companies.

Q Senator Wagner is said to have indicated that he is going to withdraw to resume his senatorial duties.

THE PRESIDENT: Mac (Mr. McIntyre) tells me that he is willing to carry on for the present until we can find his successor.

Q Have you a successor?

THE PRESIDENT: No.

Q Are you going to recommend legislation on the stock market?

THE PRESIDENT: I haven't done a thing about it. I believe a lot of people are looking it up and checking on it -- members of both Houses and the Commerce Committee and I don't know who else. There are lots of people checking on it.

Q Do you contemplate some legislation?

THE PRESIDENT: I cannot tell you because I haven't a thing on it as yet.

Q Have you considered a platform consideration of the tariff?

THE PRESIDENT: What?

Q The Democratic recommendation on a party basis -- platform basis?

THE PRESIDENT: It has been so long since I read it that I don't know what the platform said. But I think you can make a perfectly safe guess that there will be a recommendation or suggestion for some form of tariff legislation, form not yet disclosed.

Q Will that be a general revision?

THE PRESIDENT: I said, "form not yet disclosed."

Q In view of your speech last night, do you plan to send Davis back to Geneva in time for the opening of the Conference?

THE PRESIDENT: I haven't talked to Norman about that for a couple of weeks. Frankly, I don't know whether it is definite that they will go on then or adjourn again. Undoubtedly he will go back just as soon as they are going to have a regular session.

Q Mr. President, apart from the form of tariff recommended, how about reciprocal agreements?

THE PRESIDENT: That comes within the form. I cannot tell you yet.

Q Can you tell us whether you are preparing for it? Mr. Peek is.

THE PRESIDENT: No, Mr. Peek is preparing a different thing. Mr. Peek is working on an organization chart that will

tie in all of the tariff agencies of the Government so that they will work together, which they never have done before. That chart is now being passed around for comment by the different agencies affected. They are the Tariff Commission, the State Department, the Department of Commerce, the Department of Agriculture and one or two others, I think.

Q Isn't he working also, at the present time, on the regulation of foreign trade and on tariff?

THE PRESIDENT: Yes, that all comes into the same thing.

Q Are you contemplating any suggestions to Congress in connection with the foreign debt situation?

THE PRESIDENT: I cannot tell you; you are premature.

Q We hear that organized labor has made a formal protest concerning the construction code.

THE PRESIDENT: Yes, they did, and we are having a hearing as soon as the message to Congress is out of the way -- some day next week.

Q Can you tell us what their protest is?

THE PRESIDENT: Just a general protest, just two or three paragraphs from Green in the form of a request for a hearing, which they will have.

Q Aside from the other things, have you had time to give

any thought to the restoration of the pay-cut?

THE PRESIDENT: I have not had a report from the Department of Labor as yet.

Q I think it is due tomorrow.

Q There seems to be quite a lot of sentiment among the returning members of Congress with respect to some change in the provisions of the Economy Act affecting veterans. Can you give us your reaction to that?

THE PRESIDENT: The only thing I heard about it at all was when I had a visit from the Commander of the Legion a couple of weeks ago and he left a formal letter with me. I have not taken it up as yet.

Q Can you tell us whether you discussed with Senators Borah and Nye a proposition of either of them accepting a place on this Board that may possibly be created to discuss anti-trust legislation?

THE PRESIDENT: We only mentioned it casually. I think we are all agreed that they could not and should not -- no member of Congress should or could accept a place on an Administrative Board with powers.

But we also were in general agreement with the thought that Congress should, in some way, keep in touch with the administrative procedure from day to day and week to week

through the year. In other words -- now this is off the record just so as to give you the thought in back of my head. It will be a great deal better for the government as a whole if Congress could keep in very close touch right straight through the year with the operations of the Administrative Branch of the Government. The custom in the past has been for Congress, every once in so often, to conduct an investigation which goes back two or three or four or five years. It doesn't do anybody any particular good because it would be a great deal better, if the Administration is doing anything it should not do, to have it known right away.

So, for a long time, I have been trying to work out some practical method of keeping the Congress in touch, day in and day out, with what the Administration is doing, so that there won't be an accumulation of things which may result, after a long period of years, in scandal or investigation. At the same time we could keep perfectly clear the separation of functions.

Some of you who were in Albany remember the drag-down knock-out fight I had four years ago when the effort of the New York State Legislature to maintain, throughout the year, a control over the expenditures

of appropriations. I had to carry it all the way up to the Court of Appeals. We lost in the two lower courts and won out by a unanimous opinion in the Court of Appeals saying that the Legislature had no right to control in any shape, manner or form, Executive functions. That does not mean that the Legislature hasn't the right and probably should have the actual practice of constantly inspecting Executive acts. That is a very different thing, as long as they do not tell the Executive how to carry out the Executive functions.

Q That is a board of Public Works Administration?

THE PRESIDENT: Practically every function of government.

Q How would that contact be maintained, through committees of Congress?

THE PRESIDENT: Probably through committees of Congress who will keep in touch throughout the year.

Q They have such in regard to Internal Revenue now.

THE PRESIDENT: Do they function?

Q Yes; right through the year.

MR. EARLY: Make it background.

THE PRESIDENT: All right; Steve says make it background.

Q It can be used as background?

THE PRESIDENT: Yes. In other words, if you use it, draw the

distinction that we cannot have interference by the Legislature. After they once pass a law and appropriate the money, they have nothing more to say about its expenditure in an Executive way, but, at the same time, they have every right to go ahead and watch the operation of spending. It makes for frankness and public knowledge of government throughout the year.

Q Did you discuss that generally this afternoon?

THE PRESIDENT: No; just touched on it, that's all.

Q On that point of small businesses, when the President's agreements expire January 1st, will they be asked to sign up again?

THE PRESIDENT: You mean the blanket code?

Q Under the blanket code?

THE PRESIDENT: I have forgotten what the Proclamation said, but I think anybody who still flies the Blue Eagle would be automatically considered to have signed up.

Q Can you tell us anything on the action of the Senate silver bloc today in putting out a resolution demanding full and free coinage of gold and silver? It was put out by 27 Senators.

THE PRESIDENT: No, I have not heard of it at all.

Q Returning to Davis, in connection with his return to the

Disarmament Conference, may we report that his participation is going to be limited to armaments and not politics?

THE PRESIDENT: Right.

Q Can we assume that Davis will take a more active part in the discussion of land armaments?

THE PRESIDENT: On that, our position was made very, very clear last May. We have stated our proposition.

Q May I present the compliments of Colonel McCormick, and tell you that we are running Mr. Stern's editorial on the freedom of the press tomorrow morning.

THE PRESIDENT: No! (Laughter) I think that is perfectly grand.

Q On the subject of armaments, have you anything to say concerning the intention of the Navy Department to try to get Congressional authority for one hundred and two new vessels?

THE PRESIDENT: I never heard of it at all, except what I read in the papers. The Secretary of the Navy said nothing, the Assistant Secretary said nothing, and neither did the Chief of Operations.

Q They had nothing to say?

THE PRESIDENT: No.

Q Can you give us any enlightenment on the order yesterday on gold?

THE PRESIDENT: That order that was given out this morning?

Q Last night.

THE PRESIDENT: Henry Morgenthau told me it was a technical matter involved, which would probably mean that five millions in gold would come in. The order related only to about five millions of gold, and it required that order in order to bring it in.

Q It does not signify anything new?

THE PRESIDENT: No.

Q Can you tell us anything about the reactions to your speech last night, particularly from abroad?

THE PRESIDENT: Only the yellow slips that Steve (Early) brought in. I had better not comment. Perhaps Steve will tell you off the record what I said to him.

(The Press Conference adjourned at 4.35 P.M.)

CONFIDENTIAL
Press Conference #68,
Executive Offices of the White House,
January 15, 1934, 10.40 A.M.

(This Press Conference was held for the financial experts in order to explain the President's Message of January 15, 1934, to the Congress)

THE PRESIDENT: Are these the only people out of all the White House correspondents who know anything about finance? (Laughter)

Q We are the only ones who admit that we do not. (Laughter)

THE PRESIDENT: The easiest way, I think, is for me to read this release to you.

MR. EARLY: They already have it.

THE PRESIDENT: I just want to say one or two things. In the first place, Steve (Mr. Early) wanted me to stress that all this is in confidence until the Message is released and nothing is to be said in advance of the release.

Q By the way, when will the release be made?

THE PRESIDENT: As soon as it gets up there to Congress. I don't know whether it is released up there before it is read by the Clerk or not, but I see by the heading "until its reading has begun in the Senate or in the House."

Now, in a nutshell, the first portion of this, down to the first line, might be called philosophical. In other words, it merely goes into the general theory that the issuance of money or currency or any medium of exchange is solely a government prerogative and always has been since the days of Babylon or the time they used sea shells or coral shells in the South Sea Islands. In

theory, coral shells are a perfectly good medium of exchange, perfectly good money as such, provided there is control over them. It becomes a question of control and because of the lack of assurance of control throughout history, it has always been, for the sake of stability, advisable to have some basis behind the currency which, as a matter of practical fact through the ages, has been the precious metals, gold and silver. We do not have to go on further with that.

Q Might we assume that that is an argument against greenbacks? What you have just stated?

THE PRESIDENT: It certainly is an argument against starting of the printing presses. On the other hand, of course, as you know, there has been a very great difference of opinion as to what is a greenback and what is not a greenback. If we were to start tomorrow, this is the easiest illustration, to pay off the deficit of this year just by printing greenbacks, that would be greenbacks, there is no question about that.

On the other hand, a limited amount of non-interest bearing five and ten dollar bonds to retire an outstanding debt and with provision for retirement of those new non-interest bearing bonds would not be greenbacks.

What people fear about greenbacks is, of course, that some future Congress may take off the limit -- take off the lid.

Then we come down to the next point which is the taking of the title of the gold in the Government and that follows out logically the theory that the Government is entitled to control the basis behind all currency.

Then the third point is the establishment of an upper limit within which I have to act. By that I mean that I could not stabilize at above 60 if this is put through. This does not stabilize at 60. It still leaves me free to stabilize between 50 and 60.

And -- this is just for information because I have noted one or two stories -- there has been absolutely no doubt from the legal point of view of the authority under the previous act to stabilize more than once and to put it at 50 or 60 or anything else I want, as often as I want.

Q What Act is that?

THE PRESIDENT: Oh, last spring; the Banking Bill.

Q Yes.

Q This is a 40 per cent deflation by enactment of Congress?

THE PRESIDENT: No, it is not. That is exactly what it is not. Congress has said that I may devalue as low as 60. Now I am asking them to give me authority to devalue by not less than 40.

Q This is a further limitation on your power but does not require you to do anything?

THE PRESIDENT: Today I can revalue between 100 and 50 and I am asking them to limit my power so that I can only revalue between 50 and 60.

Q Then, until you devalue you merely do not have to revalue at all?

THE PRESIDENT: No, but if I revalue I won't be able to revalue higher than 60 or lower than 50. This is a 10-cent leeway.

Then the third point in that same paragraph, it would set up a fund of two billion dollars for the purchase and sale of gold, foreign exchange and Government securities.

Q Might that be called a stabilization fund?

THE PRESIDENT: Well, that is only part of it.

Q Isn't that, Mr. President, the commodity dollar feature?

THE PRESIDENT: It is the tying in of certain powers that we have at the present time. For instance, the buying of gold and silver through the R.F.C., it is to simplify that procedure. It is to keep this fund intact in the Treasury so as to stabilize, insofar as possible, foreign exchange.

Q The point I had in mind was this, that this would permit you to deal with foreign exchange without definitely fixing, permanently, the value of the dollar.

THE PRESIDENT: Let me give you a little background on this particular thing, because I think it is important. Last spring things went up much too fast in this country. Wheat went up to \$1.25 which, undoubtedly, was altogether too high. That was caused by speculation and a great many manufacturers overproduced, the steel companies overproduced, the textile people overproduced, for various reasons, trying to get in under the wire before the Code went into effect. The result was a perfectly natural one. There was quite a big drop in commodity prices of all kinds around the middle of July. That was a perfectly healthy thing. But a little bit later on, somewhere around September, there began a very definite drift of commodity prices downward. That was caused by a great many factors. It was caused by people who did not approve of N.R.A. Codes, it was caused by some of our foreign friends who were deliberately trying to increase the exchange value of the dollar and decrease the exchange value of the franc -- there were a good many

foreign elements that entered into it.

The result was that by the tenth or fifteenth of October we were in a definite downward drift which, if carried out, would have been a serious thing. Wheat, which should have a normal value of 85 or 90 cents had gotten down to 60. Cotton had gotten down to below 9 cents a pound and there was a rather determined drive against prices. The whole line was down. That was when we took action on gold. I have forgotten what gold was at that particular point, it was around 4.60 as I remember it. It was around 4.60 and the tendency was for it to go to 4.50, 4.40 or 4.30 and, perhaps eventually because of the pressure on the other side, if left alone might have gone back to the figure that the British Treasury and the Bank of England, away back last May and June, were taking as the stabilization figure, about 3.90 to the pound.

We then started to purchase gold. There are various ways of maintaining foreign exchange. You can either purchase bills of exchange, et cetera, or actually buy the gold. This move today was in prospect at that time and obviously it was to the interest of the United States to buy gold. So we bought gold and have been buying it ever since in fairly large quantities and the result has been that the exchange has gone up to well over five dollars and has maintained itself there largely because of the American purchase of gold.

It has, I think, been felt by people on the other side as well as here that if we had not pursued the gold purchase policy, the actual exchange value rate on gold would be 4 and something instead of 5 and something.

The other result of maintaining the dollar-pound and dollar-franc ratio as high as it has been has shown itself in our ability to get rid of a great many of our export surpluses. Cotton has been moving out. Of course, you know our objective is to eliminate the very large surplus which has been overhanging the domestic prices. The same thing applies to wheat and everything else. Our one objective was to get rid of the surpluses. We got rid of a great deal of cotton and we got rid of a great deal of copper, for instance. At the same time the import trade has increased enormously during the past three months since the dollar has gone down in terms of pounds. The result has been a very excellent one from a general economic domestic point of view.

This revaluation of not more than 60 per cent and not below 50 per cent should enable us to maintain a fairly reasonable exchange ratio with other nations. The reason it has to be done this way is what I said in the Message to Congress, that there is at the present time no willingness on the part of the other nations to go ahead and go back on a fixed basis. In other words, to put it the other way around, Great Britain has been pursuing what you call the Professor Warren theory for perhaps two and a half years. That is the thing that some of our people forget very definitely. They have a managed pound, absolutely managed, far more so than we have ever thought of managing the dollar.

Q Does that indicate that an open gold market in the United States will be established? It talks about --

THE PRESIDENT: I don't know. Of course there has been talk about an open gold market. That is one of the mechanics of the situation.

I don't know. There is no immediate prospect.

Q What is the purpose of purchasing Government securities along with gold and exchange?

THE PRESIDENT: I suppose the easiest way to answer that, the purchase of Government securities, is to ask the question, "Is it right or proper that a handful of people who did not happen to like what was going on or who wanted to use a club in order to get something of their own through -- that such private individuals should have the right, without check, at their own sweet will, to dump Government bonds into the market and artificially depreciate the price of Government bonds? Is it moral that private individuals should have that right?"

Q Was there short selling of Government bonds?

THE PRESIDENT: I couldn't tell you whether it was short selling or not but there were, undoubtedly, certain individuals -- this does not by any means apply to the overwhelming majority of the bankers in the United States -- but there were individuals who recommended to their clients that they should get rid of Government bonds and in most of those cases there were ulterior motives.

Now, the fact that the Government would be given the right to purchase Government bonds means that a private effort of that kind could be checkmated right away. This is protective armor for any Government and we ought to have it.

Q Does the setting up of that two billion dollar fund depend on the profits of revaluation?

THE PRESIDENT: Yes.

Q Until you definitely revalue, there will be no profits, however?

THE PRESIDENT: No, it is out of the profits.

Q When do you need the fund?

THE PRESIDENT: No, we haven't gotten to that yet.

Q Do you contemplate, as soon as this bill is passed, very promptly thereafter, immediately, issuing a revaluation proclamation?

THE PRESIDENT: We haven't come to that yet.

The last part relates to silver -- expresses the thought that silver has also been used from time immemorial as a metallic base and that it is still used by half the population of the world as such; that it is used by us and is a crucial factor in international trade and that it cannot be neglected. Further on I say that Governments can well employ silver as a basis for currency and I look for a greatly increased use. I also describe the existing situation with respect to the agreement among the sixty-six nations and the fact that we have put our part into effect. I also say that I am withholding any recommendations to the Congress at this time for further extension because I want to know the results of the London agreement and the results of the rest of our monetary measures.

Q Can you tell us anything about the legislation that is to be offered in connection with this?

THE PRESIDENT: There has been drafted what might be called a purely tentative method of arriving at the things recommended in the Message. I am perfectly frank in telling you that I haven't even read it. In other words, it is to save the committees trouble and give them something to chew on in order to carry out the recommendations. It is not an Administration bill. It is just to help the committees.

Q On this gold policy, there is no thought in mind of the Treasury, with its gold stocks, issuing money on the basis of 40 per cent reserve?

THE PRESIDENT: No. The idea is, of course, that for this money turned in the Federal Reserve Banks are given certificates that there is gold in the Treasury, dollar for dollar, and that on those certificates the Federal Reserve Banks can issue their own currency to their member banks.

Q Do you look for any immediate effect on domestic prices from the mere passage of this legislation?

THE PRESIDENT: I don't know; I have no idea.

Q The profit from this operation clearly is to go to the Treasury?

THE PRESIDENT: Yes. Right on that point, there has been a divergence of opinion amongst some of the bankers -- not by any means all -- and on the part of a few politicians who have wondered whether the Government had any right to take this profit or whether the profit should accrue to the stockholders of the banks. Of course, so far as I can see, there is no question on that at all. We asked individuals to turn in their gold and get paper money on it. We also asked all the corporations to do it and substantially all came across and did as requested. I cannot see a great deal of difference between a bank and a private corporation. The constituent bank is owned by private individuals and if we were to pursue that policy of letting the stockholders of the banks take this profit, it would mean that the Government was handing them a great big Christmas present.

I was very careful to point out in this message that such

legislation places the right, title and ownership of our gold reserves in the Government itself. It makes clear the Government's ownership of any added dollar value of the country's stock of gold which would result from any decrease of the gold content of the dollar which may be made in the public interest.

But, in order to be fair, I pointed out that the Government would lose such dollar value if the public interest in the future should require an increase in the amount of gold designated as a dollar.

Q It is your idea to have a permanent policy, retaining the limits within the 50 and 60, revaluing within those limits from time to time?

THE PRESIDENT: As far as any human being can say "permanent."

Q And continue to hold all the gold?

THE PRESIDENT: Certainly, to hold all the gold.

Q If you issue dollar for dollar, that is, under the old Gold Certificate Act --

THE PRESIDENT: (interposing) No, it would be under the new act.

Q Well, it is similar to that. Isn't the gold, in effect, then left in the Federal Reserve and their profits -- that it is still within the Federal Reserve System as profits of the bank?

THE PRESIDENT: Oh, no. They get a piece of paper under this which says that there is in the Treasury, say on a \$10. certificate, that there is in the Treasury \$10. worth of gold. It does not say how much gold or grains or anything like that.

Now, on that certificate which will be held by the Federal Reserve Bank on behalf of the member banks, the banks will issue

currency on the 100 to 40 basis. Is that right, Henry?

SECRETARY MORGENTHAU: Yes.

Q Then the Federal Reserve Banks would have authority to issue their notes against that gold?

THE PRESIDENT: It depends on what you revalue at.

Q This would not increase the currency issuing power of the Federal Reserve at all?

THE PRESIDENT: The thing to remember is that every bank statement -- the statements of the member banks, the state banks, and the twelve Federal Reserve Banks, their statements are in terms of dollars and there is absolutely no change in their statements. It does not give them less reserve or more. They have the same number of dollars.

Q Would you mind phrasing in words of one syllable to millions of unlettered people, to most of whom this would be Greek, how the Government would derive these profits that there is so much talk about?

THE PRESIDENT: Let's put it this way: We have been trying to bring the purchasing power of the dollar back, approximately, to the level in which the average of the debts of the country were incurred so that the average of people can pay off those debts in a dollar that has approximately that same purchasing power. Because of that, one method -- the most practical method of doing it, is to cut the theoretical gold content of the dollar. Now, you can only make that practical and fair if the Government has all the gold. The number of dollars in the banks of the country will be exactly the same as they were before and the Government will have -- as the currency issuing power, will have the same weight of gold in the Treasury

but actually, in terms of dollars for the Treasury, that will represent 80 per cent more or 100 per cent more depending on what we revalue at.

Q Have you estimated the profits in terms of dollars?

THE PRESIDENT: There will be, therefore, a nominal profit to the Government of somewhere between 3 billion 400 million and 4 billion 200 million depending on what we revalue at. Is that about right?

SECRETARY MORGENTHAU: Yes, sir.

Q That is between 50 and 60 per cent?

THE PRESIDENT: Yes.

Q That is the rate between 50 and 60?

THE PRESIDENT: Yes.

Now, there is one other thing. Of course, in terms of foreign exchange, the dollar is today, in terms of gold, worth only about 63 cents.

Q How much?

THE PRESIDENT: About 63 cents.

Q Can you make any use of this profit other than the two billion dollar fund you set up?

THE PRESIDENT: That is for the future.

Q Have you any authority to issue currency against it?

THE PRESIDENT: No.

Q And the profit does not represent a base of currency in the Federal Reserve?

THE PRESIDENT: No. We keep it in the Treasury.

Now, off the record, just for your information -- I have to keep it off the record because it involves another branch of the

Government -- we do not intend to encourage Congress to spend the billions of the profit. (Laughter)

Q If anything like that were done, it would be up to Congress to take action?

THE PRESIDENT: We asked them to take action on the two billions.

Q Congress would have to pass further legislation if you wanted to make use of the profit?

THE PRESIDENT: Yes.

Q Do you hope that this will encourage international stabilization?

THE PRESIDENT: I hope so.

Q If you use a bullion system --

THE PRESIDENT: (interposing) This is a bullion system. We will not coin any gold coins except such as might be necessary to make up small amounts less than a bar of gold. Loose change.

Q In other words, I don't see how you can make an artificial gold price effective unless exchangeable in some form.

THE PRESIDENT: The bullion and small change would be used for foreign settlements. Those take place every six months or a year.

Q Did you say that the export embargo was removed?

THE PRESIDENT: No, no. Of course, after the whole system gets into bullion, obviously the export embargo would be removed to the extent that if we do have an unfavorable trade balance at the end of the period, we would ship out bullion to pay unfavorable trade balances.

Q There is no relaxation of the order, then?

THE PRESIDENT: No.

Q Everybody in the country is wanting to know how it is going to affect

him.

THE PRESIDENT: How?

Q He wants to know whether it is going to increase his buying power or increase his wages -- how much it is going to be felt.

THE PRESIDENT: Probably very little. Probably certain commodity prices will go up to a certain extent and it will enable people, knowing that Congress has said between 50 and 60, it will enable people to make contracts ahead with far greater assurance than at the present time, because today it is between 50 and 100.

Q And now it will be definitely between 50 and 60?

THE PRESIDENT: That bill makes it between 50 and 60.

CONFIDENTIAL
Press Conference #89,
Executive Offices of the White House,
January 17, 1934, 10.45 A.M.

THE PRESIDENT: Too much musicale last night.

Q (Mr. Storm) Have a crowd?

THE PRESIDENT: No, had a boy violinist and a lady who recited. Acute indigestion most of the night. (Laughter) I don't know whether it was cause and effect or not. (Laughter)

Q Looks like a clear desk this morning, Mr. President.

THE PRESIDENT: The way they keep coming in one would think there was some news. There isn't any. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: All right, go ahead and ask questions. It is a dull day and I think it may rain. That is all I know.

Q The sun is shining out there.

Q You are unduly optimistic.

THE PRESIDENT: Anything doing for the District of Columbia?

Q I don't know.

THE PRESIDENT: What vacancies have I got left?

Q The Public Utilities Commission and Judge of the Municipal Court.

THE PRESIDENT: Is that the lady I appointed and she could not take office?

Q No, that is another one.

THE PRESIDENT: What has happened? (Laughter)

Q Her time expires January twenty-second.

THE PRESIDENT: I will make a note of it.

Q And the Public Utilities Commissioner?

THE PRESIDENT: I am trying to find somebody right now. Have you any ideas?

Q I have indeed. (Laughter) A very good man and a very good lady, too.

Q Mr. President, do you care to discuss public reaction to your gold message?

THE PRESIDENT: I have not read the papers yet. (Laughter)

Q Mr. President, there seems to be considerable complaint around the country that wages paid to C.W.A. workers in some instances are considerably higher than wages paid under the codes and prevailing wages paid. Has there been any discussion or consideration of a revision or anything of that sort, or have those complaints come to you?

THE PRESIDENT: Only from Harry Hopkins. He told me about them and he said there have been complaints from certain parts of the country, as you say, and he is working on the possibility of cutting the number of hours where the existing scale does give more than the going rate in the locality. I do not know whether he has worked out the plan yet and is putting it into effect but the result would be to give a slightly smaller total for the week's work by working less hours. He was working on it. I do not know whether it is done or not.

Q We have heard complaints of people who quit jobs in private industry and laid off for a week or two and got on the C.W.A.

THE PRESIDENT: There have been things of that kind and because the C.W.A. is handled entirely by local relief organizations so far as the names go, there are difficulties in places where there are

no local relief organizations. For example, you take the State of Georgia, there are quite a lot of counties in the State of Georgia that have no relief organizations and, therefore, no relief rolls.

Q On that same question, how about the compensation of war veterans who are on the C.W.A. pay roll?

THE PRESIDENT: You mean as to the legal conflict of their getting two pays?

Q Two pays, yes. I understand you have an Executive Order more or less prepared on that subject.

THE PRESIDENT: It has not come back. There is one in preparation.

Q Mr. President, quite a few of us have been writing stories about the activities of National Committeemen practicing before the Departments, and some have gone so far as to say that it is embarrassing the Administration. Have you anything to say on that?

THE PRESIDENT: I think if we can avoid reference to individuals, it is all right to talk about the general principle. I have felt all along that it is not quite in accord with the spirit of the Administration that any individual who holds a high Party position, such as National Committeeman, should earn a livelihood by practicing law, because, in a sense, he holds himself out as having access to the back door of the Administration. It just is not done. That is strictly true. It has been done and it ought not to be done.

Q Mr. President, is there anything you can tell us in connection with the Iowa situation that seems to be heading up today? The Public Works Administrator was fired out there.

THE PRESIDENT: The Attorney General -- I asked him on the telephone -- the District Attorney is arriving here to talk it over with the Department (of Justice) and I imagine the Department (of Justice) will be largely guided by the recommendation of the District Attorney.

Q He was ready to lay it before the Grand Jury when he was called down here. He had eighty witnesses.

THE PRESIDENT: I understand there are two stories on that. I do not know the actual facts as to whether he was ready or wanted to talk it over with us first. I think you had better check on it over there.

Q Mr. President, can you tell us anything as to when the war debt Message will be ready?

THE PRESIDENT: I will make a pretty long guess on that. I should say not for a month.

Q Mr. President, did you inquire specifically into the constitutionality of the so-called compensation law before?

THE PRESIDENT: Which one?

Q The matter that the Senate Committee took up yesterday?

THE PRESIDENT: The due process of law thing?

Q Yes.

THE PRESIDENT: Oh, yes; the Attorney General is perfectly definite on that.

Q He has already given you his opinion?

THE PRESIDENT: He gave us an oral opinion on it as far back as the time we went off gold, last April. I do not know whether he gave a written opinion at that time or not -- I think he did -- so far

as private individuals or corporations went. He has been perfectly clear on the thing all the way through.

Q How about the Newspaper Code, Mr. President?

THE PRESIDENT: I have not got to it yet. It is sitting beside my desk in the White House.

Q Mr. President, is it a good guess that the war debt Message will contain a recommendation for reduction of armaments?

THE PRESIDENT: I have no idea. I have not taken it up at all.

Q Mr. President, can you tell us the status of negotiations with England?

THE PRESIDENT: I have not talked with Phillips (Under Secretary of State) about it for ten days. I do not know exactly how far they have got.

Q Are you seeking any understanding with Great Britain on the currency and monetary program?

THE PRESIDENT: No.

Q Or on trade?

THE PRESIDENT: No. The only thing I know about is the big whiskey deal. (Laughter)

Q Is the whiskey coming in?

THE PRESIDENT: Yes, and the pigs are going out.

Q There have been reports published this morning to the effect that the Administration has undertaken conversation with Great Britain to avoid any sort of possible conflict of stabilization funds?

THE PRESIDENT: No, nothing on it. No communications at all.

Q Mr. President, is there anything you can tell us in the way of new developments in the Weirton case on which you had a conference just prior to the last Press Conference?

THE PRESIDENT: I do not think there is anything can be printed on that.

I saw Weir on that the other day and had a talk with him about it, more along the broad line of some effort on his part to eliminate the present feeling on the part of some people who claim that the election was not fairly held. They are going to have further conferences. There isn't anything more than that at the present time.

Q Did he indicate he would accede to a second election?

THE PRESIDENT: No, hadn't got as far as that. Talked about the particular objective.

Q Ireland is sending over the head of its Department of Commerce to talk the possibility of reciprocal trade agreements with us. Can such an agreement be drawn by you or must there be a tariff Message to the Congress?

THE PRESIDENT: I do not know. That is the first I heard of it.

Q I wonder if the Administration has any objections to the State Department going ahead with it?

THE PRESIDENT: No. Tell me, can we enter into a trade agreement with Ireland without the consent of Great Britain?

Q I think so. Ireland claims they can. (Laughter)

Q Would you care to discuss Senator Johnson's bill for trading with countries who are in debt with us?

THE PRESIDENT: I think you had better lay off that for a while.

(Laughter)

Q What will be the subject of your next special Message to the Congress?

THE PRESIDENT: I haven't any Messages in mind at the present time, not a single one.

Q I wondered what you are working on in preparing this legislative

program?

THE PRESIDENT: I imagine the next thing that will go up will be that appropriation of \$1,166,000,000. to carry us through until the first of July, because there is real need of getting that through before the tenth of February. Hopkins' appropriation will be exhausted on the eleventh of February. He won't have any more money.

Q Has Secretary Dickinson's report on the regulation of stock exchanges reached you?

THE PRESIDENT: I spoke to Dan Roper and he expected to have it in two or three days.

Q Have you had a chance to talk about a new governor for Hawaii?

THE PRESIDENT: No. Off the record, for your information, we had a man picked and he could not take it, so we are just where we were before.

Q Will you favor legislation for the regulation of motor vehicles on the highways at this session, such as the Rayburn Bill?

THE PRESIDENT: I don't know. I frankly haven't gone into it at all. It is a difficult subject, and Commissioner Eastman is not ready to report. I asked him yesterday in the Council meeting to come in some time in the course of the next week and talk over legislation. He said he is not ready to make any recommendations as yet.

Q That means legislation?

THE PRESIDENT: On the whole transportation problems, transportation of all kinds. Remember we had it in mind. There is no particular secret about it. It follows the Salt Lake City speech. It is to try to consolidate control of all transportation into probably the

Interstate Commerce Commission. That would include motor buses and trucks and waterways and railroads.

Q Waterways in and outside the country, like the Panama Canal?

THE PRESIDENT: No, not the Panama Canal. I would not say that categorically. I suppose it might include the Panama Canal, since it competes with railroads on U. S. shipping from one port to the other. I guess it would.

Q Any phase of the Cuban mess you can discuss?

THE PRESIDENT: No, it moves too fast for me. I haven't heard this morning.

Q Thank you, Mr. President.

CONFIDENTIAL

Press Conference #108,
Executive Offices of the White House,
March 23, 1934, 4.08 P. M.

Q How is it, Mr. President? Feeling rather weary these days (referring to the hoped for Florida trip)?

THE PRESIDENT: You are. (Laughter)

Q I am afraid it is going to be bad weather for a long while.

THE PRESIDENT: So they say. (Laughter)

MR. DONALDSON: All in.

THE PRESIDENT: Well, I do not think I know anything at all except about the weather. It makes Florida look more attractive but not necessarily any closer.

Q Say not so.

Q Steve (Mr. Early) asked us not to ask you that question.

THE PRESIDENT: If I can only get away with the challenge that Arthur Krock gave me this morning. I could not leave unless I batted a thousand per cent four times to the bat before Tuesday. He is about right, as a matter of fact, just about. Eddie Roddan is looking awfully sad.

Q Five hundred is good hitting for anybody.

THE PRESIDENT: I have not any late news from the automobile conference. Steve (Mr. Early) told me that the information from you people is so far all right. I just came out of the Cabinet meeting so I have not talked to Johnson (General Hugh Johnson) since noon.

Q Can you tell us what the General reported at noon?

THE PRESIDENT: Nothing since last night because General Johnson had not started to talk with them.

Q The French, in a note sent to Great Britain and made public today, declared

that the willingness of other powers to consult in case of treaty violations is not sufficient guarantee of their security and they must have guarantees of effective action, particularly by groups of nations. That is a bit further than we are prepared to go?

THE PRESIDENT: What do they want?

Q They want Great Britain to come to their aid if Germany violates any of the treaties, but they do not specify Great Britain, they say the community of nations should come to their aid.

THE PRESIDENT: Of course we cannot change what we said last year.

Q And that still stands?

THE PRESIDENT: Yes.

Q While we are on foreign affairs, we have a report that Ambassador Dodd arrives in New York today. Any significance in his return?

THE PRESIDENT: No. He wrote me about a month ago and said it would be a good thing to get a little holiday and, at the same time, to report and tell us the situation. I did not know he was landing today.

Q Stock Market bill -- anything to say?

THE PRESIDENT: I have not read it.

Q Do you still favor a bill?

THE PRESIDENT: I favor a bill with teeth in it.

Q Have you appointed any kind of committee to study and make reports?

THE PRESIDENT: No.

Q Have you heard of any?

THE PRESIDENT: No, I have not heard of any.

Q Do you care to comment on the veterans' pay allowances voted yesterday by the House, which is still in conference?

THE PRESIDENT: The less I say on that subject the better. (Laughter)

Q Mr. President, have you heard from Eastman on the railroad wage negotiations?

THE PRESIDENT: I have not heard today at all. Does anybody know how it is getting on?

Q He is going to confer with the labor crowd in the morning. He saw the management group twice today and he is seeing the labor group tomorrow morning.

THE PRESIDENT: Right.

Q Are you planning to notify the House on your views on the unemployment insurance bill through a letter?

THE PRESIDENT: On the Wagner-Lewis Bill?

Q That is the one.

THE PRESIDENT: I have an idea that I either have sent a letter to the Chairman or I am going to. I do not know whether I have signed it or not. There is no reason it should not be given out as soon as it gets up. I think I signed one yesterday but it may still be in the basket.

Q Mr. President, is it favorable to the bill?

THE PRESIDENT: This is not the MRA bill, this is the unemployment insurance bill?

Q Yes.

THE PRESIDENT: Yes, it is favorable to the general principles of it.

Q Mr. President, have you heard anything new since your telegram last night from the West Coast notifying that they would call off the longshoremen's strike?

THE PRESIDENT: No. The only other thing is picking the names for the Board of Mediation. I probably will have them by tonight.

Q Are you picking them here?

THE PRESIDENT: I think we are, aren't we, Steve (Mr. Early)?

MR. EARLY: We are, sir.

Q What is your attitude toward the Wagner Bill?

THE PRESIDENT: You are a little previous on that. Hold it until Miami.

Q Did you tell the automobile --

THE PRESIDENT (interposing): In other words, do not construe that as being holding off on it, but from the point of view of timing it is better to wait until we get some of these very immediate questions on automobile troubles and longshoremen a little bit further along before I say anything. There will be something said all right.

Q For background I thought we might inject that into the situation, that that was a sort of hammer over the heads of the industrialists.

THE PRESIDENT: I don't think you could put it that way. (Laughter)

Q Put it subtly. (Laughter)

THE PRESIDENT: If I were writing the story on my own hook, I would say that the cupboard door is still closed. We have not made a gesture toward the cupboard.

Q No telling what is inside?

THE PRESIDENT: No.

Q Will you be having conferences direct, either with the automobile manufacturers or the men this afternoon or tonight?

THE PRESIDENT: I do not know. I told Johnson (General Johnson) that I would hold myself in readiness to see either or both at any time.

Q Mr. President, there is a delegation of steel officials at the NRA conferring with General Johnson and there is considerable secrecy around their negotiations. Do you know anything?

THE PRESIDENT: I cannot imagine anything unless it is caused by the report of the Federal Trade Commission. It might have been. It created quite a commotion.

Q Have you any observations on that report?

THE PRESIDENT: No, except as background. It goes back -- I think I talked

to you about this before -- it goes back to the question of this open price posting and of course in practice that almost necessarily results in one price bidding because everybody else follows the first one to post and posts exactly the same price and then they all bid on exactly the same, identical price. Of course, that is not free competition and the thing is not working. We have to find some method of restoring competitive bidding which seems to be pretty well precluded by this open-price posting method that exists. How we are going to go about it we don't know, but we have to do something about it.

Q Mr. President, have you anything to say about the bill to make cattle a basic commodity?

THE PRESIDENT: I am not familiar enough with the details.

Q A \$150,000,000. amendment was added by Senator LaFollette to finance the reduction of tuberculosis.

THE PRESIDENT: Of course, it is in the legislative stage. I might say, as background, that somebody has to find the \$150,000,000. if it stays in. I haven't got it.

Q Mr. President, are any new slum clearance plans being considered?

THE PRESIDENT: No. On the slum clearance, as a whole, the general thought is this: Our difficulty in giving Federal aid to the major cities that need slum clearance arises out of the real estate values which are very largely fictitious. In fact, in many cases the assessed valuations themselves are fictitious. There are many cases in the slum areas in New York where the city assessment is way above what the owner of the property would be willing to sell the property for. There are a great many tenement house owners that would be tickled to death if they could get 75 per cent of the assessed value in cash. Obviously, just so long as in clearing slum properties you have to pay exorbitant real estate

prices, you cannot put up any new buildings on a sufficiently sound basis so that you will be able to get your money back.

What we would like to see is some method of getting lower real estate costs and, if we get that, it means we would be able to put up buildings in the City of New York that would rent for \$6 or \$7 instead of \$10 or \$12 a room a month. We are being held up by the real estate problem. That is the answer. If we can get around that and purchase real estate at a lower price so that we can put up buildings with low rents, the Federal Government stands ready, out of its next year's appropriation, to increase very greatly its slum clearance allotment.

Q Subject to that condition?

THE PRESIDENT: Subject to that condition.

Q You mentioned New York. Does that hold good elsewhere?

THE PRESIDENT: Yes, except that in other places the scale of real estate is a different one, of course. For example, in a smaller, a great deal smaller city, one that still has a slum problem, \$6 or \$7 a month per room is too high. In a city of that kind you want \$4 or \$5 a month per room.

Q Have you signed the Vinson Bill yet?

THE PRESIDENT: No, it has not come down. It does not come down until tomorrow. If I do sign it and if I have time and do not get taken up too much with automobiles and things like that, I will file with it a memorandum for your information. Perhaps you had better not break the story at all and make this off the record. It will be a memorandum which will point out the distinction between an appropriation and an authorization. It is time that the public was informed of the difference. It is not the fault of the press, because we have all used a word that we understand, but the reading public does not understand when they read a

story in the newspaper that Congress has authorized the building of 102 new ships. The public assumes that they are going to start building those 102 new ships right away. So I have to point out in a memorandum that this bill is really, in its essentials, nothing more than a resolution that it is still the policy of the United States to build up to the London Naval Treaty limits and, having passed that resolution, it depends on the action of future Congresses as to whether the ships will be actually started or not. I have to do that because I have had so many appeals from pacifist organizations which do not understand it.

Q Are you coming up to the Press Club tomorrow night, Mr. President?

THE PRESIDENT: What happens?

Q The dinner.

THE PRESIDENT: Do I have to make a speech?

Q I don't know about that. We will let you off on the speech, if you come.

THE PRESIDENT: All right, if you will do that I will come.

MR. STEPHENSON: Thank you, Mr. President.

(The Press Conference adjourned at 4.15 P. M.)

CONFIDENTIAL
Press Conference #120,
Executive Offices of the White House,
May 11, 1934, 4.15 P. M.

MR. DONALDSON: All in.

THE PRESIDENT: I do not think I have any news. Has anybody got any?

Q Mr. President, we understand that the State Department has been notifying the representatives of the debtor nations that their governments will not be exempt from the penalties of the Johnson Act if they continue to make token payments. The State Department refuses to say anything officially. Can you tell us whether that is so?

THE PRESIDENT: I think you will have to get it from the State Department. I hate to cross wires.

Q Is it not conceivable that if the debtor nations were to offer us a substantial payment, considerably higher than the token payment --

THE PRESIDENT (interposing): That is the same question that Stevie (Mr. Stephenson) asked the day before yesterday. In other words, exactly what I said the other day, that I cannot give an answer to any specious case until I know the case.

Q What puzzles us is whether or not you are going to hold them liable to the Johnson Act unless they make full payments or whether you might be willing to find some means of getting around the Johnson Act if they made substantial payments along the lines of their capacity or desire to pay.

THE PRESIDENT: There you are running into the same thing. We cannot say anything about these things until some nation makes a proposition.

Q Then that is still an open matter?

THE PRESIDENT: Yes.

Q Has any nation asked new negotiations?

THE PRESIDENT: I do not think so.

Q The British today seemed to express the feeling that if you could call a general debt settlement conference, they would appreciate it very much. (Laughter) How does the Administration feel about that?

THE PRESIDENT: Just what we felt for a year and two months; exactly the same thing. In other words, no such thing as a general debt conference. Each nation is a debtor and talks with its creditor.

There has been a general effort to -- this has to be off the record -- there has been a general effort, ever since I have been here, ever since I was elected in November, 1933, to gang me, this is off the record, into saying that we would have a general conference. I said, "No, we will talk anything over with any individual debtor at any time." We have not changed that position.

Q May we point out that our position in dealing with them individually still remains unchanged?

THE PRESIDENT: Yes.

Q How far off is our debt Message?

THE PRESIDENT: Well, I should think I ought to be able to get it in inside of the next ten days. In other words, what I am planning for is to get it up the week after next, the early part of the week.

Q What are you going to say in that, Mr. President? (Laughter)

Q Will that be a sort of general report on conditions as they are?
(Laughter)

Q What is the latest on the selection of the Public Printer?

THE PRESIDENT: I do not know.

Q There has been a name mentioned?

THE PRESIDENT: I have not, frankly, been handling it myself. I have two or three other people looking into it and, as I understand it, they came down to two or three names a week or ten days ago, but I have not heard.

Q Do you know anything about the drought in the Middle West? (Laughter)
You know Clint Mosher once referred to you as "The Rainmaker"?

THE PRESIDENT: I do.

Q When does the relief appropriation Message go up, that billion and a half?

THE PRESIDENT: Monday. By the way, it is less than a billion and a half because they have been chipping it away. I can tell you that the amount left now looks about a billion, 322 million dollars.

Q Can you tell us whether that boring has been in the Public Works, whether that reduction has been in the Public Works?

THE PRESIDENT: Oh, no. It has been all sorts of -- I will see if I cannot give you enough of a hint on it to give you an idea.

Q Mr. President, is there any plan to help the drought sufferers out West?

THE PRESIDENT: Yes, we talked all about it in Cabinet. This is something you cannot use yet, it has got to be off the record. We have been working on it for a whole year and I think I have talked informally here about the general theory of it. This has got to be off the record because I am a month away from a story on it. With crop control, in those crops in which there is a surplus of production over consumption, where we are trying to bring production within the general field of consumption in order to prevent

abnormally low price levels, at the same time you have to recognize the element that you may have a year of bumper crops and another time you may have a year of serious crop shortage.

Over a year ago we began discussing the principle of establishing what might be called a reserve granary which would contain a large carryover, which would amount to a larger carryover than we have been carrying in normal years. That reserve emergency granary could be used to put surpluses into in the bounteous years, and then we could draw on that granary in years of drought in order to prevent any starvation or anything like abnormally high prices, so that it would work both ways. In other words, in years of plenty it would prevent abnormally low prices and in years of drought it would prevent abnormally high prices.

The thing has been, more or less, in a very tentative stage, a very tentative study stage, for the past year, and they are working on it at the present time. We hope to have something along that line worked out during the course of the next few weeks, not as a message to be presented to this Congress, but as something to be studied as rather an essential component part of the general agricultural program.

Q Do you care to tell us what feature of the drought was discussed in the Cabinet meeting?

THE PRESIDENT: Just the localities, the different localities which came out in the report.

Q Was there any discussion of making funds available for some of the farmers who complain that their crops are going to be ruined?

THE PRESIDENT: No. Of course that would be handled out of the general relief funds if it came to the point of necessity.

Q Was there any discussion as to how large a fund is now available for that purpose?

THE PRESIDENT: That you will find in the Monday appropriation bill. I cannot tell you now but somebody was asking about how the total of \$3,166,000,000. had been chipped away up to the present time. Well, just a few items, for instance, crop loans, \$40,000,000., necessarily reduced that original amount by that much. Then farm mortgages, \$40,000,000. -- that is additional capital; veterans' benefits, \$22,000,000.; Army Air Corps, special appropriation, \$5,000,000.; Mississippi flood control, \$29,000,000.; Independent Offices' Act, \$228,000,000. Those are the principal items and there are miscellaneous supplementary items which I would leave out because they always go in at the end of the session. Those items I gave you are the principal ones which might be called unexpected reductions from the total amount of \$3,166,000,000. If the financial writers would like, before I send this bill up on Monday, would like to come in and have a talk over it, the way we did on the general Budget bill, I would just as soon do it. Talk with Steve (Mr. Early) about it and we can have just another little informal talk about the items in this big appropriation bill so that we will have some background for writing the stories.

MR. EARLY: You don't know when you will send it?

THE PRESIDENT: I thought I would send it up on Monday afternoon.

MR. EARLY: Then we can have a Monday morning conference?

THE PRESIDENT: Yes.

Q Governor Green of Rhode Island is in town. Has he been in to see you?

THE PRESIDENT: I saw him about a week or ten days ago.

Q He is not coming in at this time?

THE PRESIDENT: Not that I know of.

Q On these figures, I am not clear -- those are --

THE PRESIDENT (interposing): Those are unexpected amounts which we did expect would be appropriated last January and of necessity, if the Budget balancing is to be maintained, they have to be deducted from the \$3,166,000,000. because there is no other place to deduct them from.

Q On the \$233,000,000. Independent Offices?

THE PRESIDENT: Yes.

Q Under the Mississippi flood prevention, does that include the Wabash and White Rivers?

THE PRESIDENT: I don't know; you have me there.

Q Mr. President, do you favor the six-hour day for railroad labor at this time? The movement seems to be gaining headway in the House.

THE PRESIDENT: I don't know anything about it.

Q They floated a petition in the House today to force a vote on the six-hour bill for railroad labor.

THE PRESIDENT: It is news to me.

Q Have you heard anything from the analysts of the Darrow Report?

THE PRESIDENT: No, only except some perfectly fool stories (laughter) -- the suggestion that it was not going to be made public. It will, as soon as somebody can read through and digest it for the Press.

Q You won't make the text available to the public?

THE PRESIDENT: Oh, yes; you can have the full text and take it to bed with you.

Q Is silver legislation unchanged?

THE PRESIDENT: No, still talking up there. Morgenthau was up there this morning.

Q No change in your attitude in relation to monetary legislation?

THE PRESIDENT: No.

Q Have you heard the latest on silver? They very nearly got to terms up there today on something but that has not been called to your attention?

THE PRESIDENT: No.

Q Do you favor the reelection of La Follette for Wisconsin? (Laughter)

THE PRESIDENT: I am not taking any part in any primary or election.

Q You say you will be able to make public the Darrow Report sometime next week?

THE PRESIDENT: The early part of the week.

Q Has Thorpe resigned?

THE PRESIDENT: Yes, and while I have not actually written the letter, it is going out this afternoon, accepting it with great regret.

Q Who is that?

THE PRESIDENT: Thorpe.

Q Are you going to appoint a State Marshal in South Carolina?

THE PRESIDENT: I do not know yet.

Q On the matter of that drought, do I understand there was some information about relief in the appropriation?

THE PRESIDENT: No. Whatever has to be done will be included in the general relief fund, which is quite a large fund.

MR. EARLY: Harry Hopkins is making announcements on those things.

Q Is any item on naval construction in there?

THE PRESIDENT: No, it is not in here.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #125,
Executive Offices of the White House,
May 23, 1934, 4.15 P. M.

Q How do you do, Mr. President? We had a nice time at your party.

THE PRESIDENT: Did everybody survive?

Q Yes, we all succeeded in pulling through. Still an old football player. That forward pass!

MR. DONALDSON: All in.

THE PRESIDENT: What is the news?

Q That is what we want to know.

THE PRESIDENT: I almost called the Conference off; I haven't any.

Q Let us make some.

Q Mr. President, the French Ambassador told us that he touched lightly on the debts, that is, during his visit. Will you tell us how lightly he touched?

THE PRESIDENT: Very lightly.

Q Anything further?

Q Did you only touch lightly on it also?

THE PRESIDENT: Yes, very lightly. What the French call "l'aiselement."

Q Mr. President, anything you care to say about the strike situation?

THE PRESIDENT: I don't think so. I think I had better not. It is awfully difficult to say anything without going into details and differentiations. I think it is probably better I should not. We are all working on it, as you know.

Q You still need legislation of the type of the Wagner bill dealing with this?

THE PRESIDENT: It would be very helpful. There is no question about it

but it would be very helpful because it would clarify administrative procedure and at the same time would create methods that were perfectly clear under the law. In the individual strike cases people would know on both sides exactly the procedure, who they come under and to whom they go and what authority there is in any given case.

Q Is it fair to assume, then, that you want this legislation this Session?

THE PRESIDENT: I would like to have it very much. I think it would be helpful. I think you had better put this off the record.

Q What you are saying now?

THE PRESIDENT: Yes, what I am saying now. It would be perfectly all right to say I am in favor of this legislation and hope it will go through but, off the record, you all know that in any period of this kind you are bound to have, with a return of prosperity and a return of reemployment and an increase in values, more strikes. I look for a great many strikes in the course of this Summer, a good many more. It is a normal and logical thing. I think I have said this before at a strike conference. They are brought about by a great many causes. For instance, keeping this again entirely off the record, in this Toledo case, the strike originated with only 400 employees in one factory but there are a lot of other factors involved. They had pretty serious political trouble where a lot of graft and misgovernment, etc., was shown in the city. The result was that the population as a whole got sore. It wasn't just these 400 men.

Yesterday, when this crowd of between 5,000 and 10,000 people started, they were, as a body, sore at certain definite people. As they got along, throwing stones, they would throw stones at one particular factory or shop and then they would go along past

several other factories or shops they were not sore at and then they would pick out the next fellow at whom they were sore.

Charlie Taft telephoned to Miss Perkins about two hours ago and made the point that it is not an indiscriminatory strike, it is a strike against people they are sore at and it is not just the 400 strikers, it is a very large element of the population.

So each case really has to be taken up on the merits of that particular, individual case. There is no general statement that can be made relating to it. Miss Perkins used a parallel which, of course, has got to be entirely off the record. She said in conference today that it is not a general revolutionary feeling but a feeling against certain old-line politicians and a feeling against certain industrialists. It is a pretty discriminating opposition. It is based on reason of some kind.

In the Toledo situation, of course, the one thing that all of us ought to appreciate and write about is that there are methods of settlement and that the attitude of employers in many cases has been so autocratic. Take, for instance, the man in one of the papers this morning who said that he would consider that he was demeaning himself if he sat in the same room with William Green. Now that kind of autocratic attitude on the part of a steel company official does not make for working things out. On the other hand, there are people on the other end of the camp, the labor end, who are just as autocratic.

- Q One objection raised to the Wagner Bill is that they have a local board out there that is getting along pretty good and they thought that the action of the new board would largely destroy the author-

ity of the men working out there.

THE PRESIDENT: I think under the Act this particular board would keep on functioning.

Q Have you had any report from the Williams Board as to what they have accomplished?

THE PRESIDENT: I think I have one or two of the members next week to talk to me.

Q Will that be your first report from them?

THE PRESIDENT: I have not had merely the one report. Williams was here nearly three weeks ago and we went into it for half an hour.

Q You say you are working on this strike. Can you tell us what the Federal Government can do or is doing?

THE PRESIDENT: Well, we have our staff out there acting as mediator for the Department of Labor.

Q Have they given any late reports?

THE PRESIDENT: No, not since the telephone (call).

Q Is this Taft report out?

THE PRESIDENT: No, it has not got to the making of a report stage.

Q Have you reached a definite decision as to whether you want the licensing power under the Recovery Act extended?

THE PRESIDENT: I have not talked to anybody about it; have not mentioned it.

Q Mr. President, did you make any statements concerning American naval policy in view of the preliminary talks in London?

THE PRESIDENT: No. Anything that comes out will come out from the State Department.

Q Have you signed the Japan Resolution as yet?

THE PRESIDENT: It has not come down yet.

Q Not down yet?

THE PRESIDENT: Not down yet.

Q Is the debt Message going up next week?

THE PRESIDENT: I hope so. It is not written yet.

Q The licensing provision of the NRA seems about to lapse and at the same time the proposal is to strengthen the licensing provisions of the AAA under the new bill?

THE PRESIDENT: It is not necessarily inconsistent.

Q I know, but what is the reason for the difference?

THE PRESIDENT: I do not know enough about it to answer the question fully.

Q But there is a difference there, isn't there?

THE PRESIDENT: Yes. I do not know enough about the details, frankly.

Q What is your attitude on the Costigan-Wagner Anti-Lynching Bill?

THE PRESIDENT: It is a terribly difficult subject. I have been talking about the theory of it with Costigan and Bob (Wagner) and various other people for quite a long while. I don't think I had better give you an attitude because I frankly haven't got sufficient clarity in my own mind as to whether that particular method will work and also as to the constitutionality of it. I think there is a question. I am absolutely for the objective but am not clear in my own mind as to whether that is absolutely the right way to attain the objective. However, I told them to go ahead and try to get a vote on it. It would be a useful thing to try to get a vote on it in the Senate.

Q With reference to Chaco, now that you have the authority, do you intend to use the authority to prohibit the shipments (of arms, etc.,) immediately, or wait for the League of Nations?

THE PRESIDENT: I haven't any idea at all. It depends on what Secretary

Hull says.

Q Any new developments in the Russian credit and trade situation?

THE PRESIDENT: I have not heard a word. I don't think there has been anything.

Q Have you had an opportunity to study the banking and insurance bill passed by the House?

THE PRESIDENT: No, I have not even seen it.

Q What was the idea of dressing up on us last night? (Laughter)

THE PRESIDENT: I will tell you off the record. There was a dispute as to what I should wear with the Missus, and my wife was wrong.

(Laughter) There is one case where I was right. It won't happen in another year.

Q Have you heard from the Cabinet Committee on the railroad study they are supposed to make as yet?

THE PRESIDENT: No; I do not believe they will report for some time.

Q Thank you. We are sorry there isn't any more excitement today.

(The Press Conference adjourned at 4.25 P. M)

CONFIDENTIAL
Press Conference #130,
Executive Offices of the White House,
June 15, 1934, 4.10 P. M.

Q That is Stevie's (Mr. Stephenson) presidential suit.

THE PRESIDENT: Is it his presidential suit? Looks to me as if he has
outgrown it in front. He will lose a lot of that on the destroyer.

Q Yes, leaning over the rail.

MR. DONALDSON: All in.

THE PRESIDENT: I think all the news is up on the other end of Pennsylvania
Avenue today. Things are happening up there and you know more about
it than I do.

Q Is it going fast enough?

THE PRESIDENT: Oh, I think so; going along all right.

Q When does it look like you are going to get it?

THE PRESIDENT: I have not heard within the last hour.

Q What did you hear then?

THE PRESIDENT: Fifty-fifty.

Q Can you tell us whether you are contemplating any action with regard to
Germany's latest moratorium, that is anything in the nature of repre-
sentations to them?

THE PRESIDENT: I do not know. The Secretary of State mentioned in
Cabinet meeting that they are studying the effect of the German ac-
tion. I do not know whether they have taken it up with the German
Ambassador yet or not.

Q In the absence of our friend, the Count (Rudolph de Zapp), are you
getting anywhere near that judgeship appointment in the Municipal
Court?

THE PRESIDENT: God! You know, I had entirely forgotten it.

Q The Attorney General thought he would send a name over here?

THE PRESIDENT: Will you make a note of that to ask about it? It will have to go up fairly soon.

Q The term of Frank McHinch (Chairman of the Federal Power Commission) expires next week. Have you definitely decided --

THE PRESIDENT (interposing): When does it expire?

Q The twenty-third (the term actually expired on the twenty-second).

THE PRESIDENT: I have not done anything about it at all.

Q Isn't there another vacancy on that Commission?

THE PRESIDENT: No, I filled that the other day, Mr. Seavey.

Q Mr. President, is the Mediation Board going to be filled, Railroad Mediation?

THE PRESIDENT: I doubt it. Something might happen between now and tomorrow night, but I doubt it.

Q What about a new Public Printer?

THE PRESIDENT: Won't be anything until after the session anyway.

Q Any more Tariff Commission appointments?

THE PRESIDENT: I do not think so.

Q Have you signed the Communications Commission Bill today?

THE PRESIDENT: Has it come down to me yet? I do not think it has. It has not got in here yet. The only bill I have on my desk, not acted on, has to do with the Cherokee Indians.

Q Do you intend to appoint the members to the Communications Commission before you go?

THE PRESIDENT: Yes.

Q The New York Evening Post carries the story today that Mayor Hague has

invited the New York manufacturers to come over to his town with their plants and that there would be no strike trouble. The Chief of Police issued an order forbidding picketing and the National Labor Board said it was powerless. Anything submitted to you yet?

THE PRESIDENT: I think that is the usual attempt of Jersey City to steal New York's business.

Q The matter has not been laid before you?

THE PRESIDENT: I never heard of it.

Q Inasmuch as it is (war) debt payday, can I induce you to comment on the generosity of the debtors?

THE PRESIDENT: No.

Q Can you tell us anything about your plans for the summer other than --

THE PRESIDENT (interposing): I suppose you would like to know, Fred (Mr. Storm). Well, the only thing that is definite is that the actual date of departure is indefinite. In other words, I do not know what day we are going to push off. I might put it off three or four days to give me a little bit more time to go up to New London and then come back here for three or four days just to clear up odds and ends and then push off from Annapolis instead of New York. But the date is on a moveable basis, some time, we hope, between the twenty-sixth of June and the fourth of July. That is as near as I can give it.

Q Have you given any thought to touching at any ports?

THE PRESIDENT: Yes, I hope very much to be able to go to Cartagena, Colombia, and pay a call on the President of the Republic of the United States of Colombia. It is about fifty miles -- less than that, about forty miles out of the way of the straight course from St. Croix to Panama, so all it would involve would be spending one extra day and

go in there if the President of Colombia comes down to Cartagena. We would spend the day together and that would be the first time that any American President has ever visited any nation in South America during his term of office.

Q What is the occasion of this official visit?

THE PRESIDENT: What?

Q What is the occasion of the visit to Columbia?

THE PRESIDENT: Just to say, "How do you do?" It is on the way.

Q Any celebration?

THE PRESIDENT: No, we get there on the Fourth of July if we leave on the twenty-sixth.

Q Would that involve landing on their soil?

THE PRESIDENT: Oh, yes; there would be nothing new in that.

Q I thought they might come out to your boat.

THE PRESIDENT: I am going to lunch with the President of Panama. That has been done on many occasions.

Q Mr. President, I am not sure whether there is a map out there in the Press Room. Do you mind spelling the name?

THE PRESIDENT: Well, anglicized it is C-a-r-t-a-g-e-n-a and it takes you quite a while to practise the pronunciation of the "g".

Q On the steel situation, it has been intimated that you might consider calling both parties to Washington. Is that a fact?

THE PRESIDENT: No, I have not heard anything about it.

Q Tomorrow is the sixteenth and the present tenure of the NRA Licensing Act does expire tomorrow. We heard from some people on the Hill that there might be a possibility that you might want to extend that. Can you give us any idea on that?

THE PRESIDENT: It is a long time between now and tomorrow.

Q Thank you. (Laughter)

THE PRESIDENT: Frankly, I do not know; anything might happen.

Q Do you care to comment, or has your attention been called to the statement up there at Pittsburgh proposing that you appoint an arbitration board?

THE PRESIDENT: Yes, Steve (Mr. Early) told me about it. Of course I could not comment until I see the whole thing.

Q Have you received the Shipping Code? What has happened to it?

THE PRESIDENT: I got it quite a while ago and it has been going the rounds. I think I can intimate that I am not satisfied with it but I have not had time to put down why I am dissatisfied with it. The same way, I do not like the provisions of the Utilities Code.

Q What are the objections?

THE PRESIDENT: I was just saying I have not got to the point of setting them forth in detail.

Q That means you probably won't sign either one?

THE PRESIDENT: Probably not as submitted.

Q Mr. President, on this German moratorium business, Germany complains that she has not been permitted to pay in goods on these obligations. In view of the fact that we have more or less invited partial payment of war debts in goods, would it not be possible for Germany to come here with goods for payment on these other debts?

THE PRESIDENT: I don't know. In other words, we have not considered it one way or the other at all. They have never offered to pay in goods, have they?

Q No, sir; not that I know of.

Q Did you tell Senator Robinson, sir, that you wanted labor legislation this session, before adjournment?

THE PRESIDENT: Yes, quite a while ago.

Q Have you agreed on a substitute form?

THE PRESIDENT: That you will have to find out up there on the Hill. In other words, the real situation is this: We have been trying to get some form of legislation which would not greatly delay the termination of the session, and there have been at least a dozen different drafts of legislation, and it is a matter, and has been for the last two days, a little over two days, of discussion between Senator Robinson and Senator McNary. That is really what it comes down to. I haven't heard anything since this morning when various other suggestions were made.

Q Mr. President, can you comment on those three or four principal objections to the terms, such as limiting it to one year and restricting power?

THE PRESIDENT: There is no objection to restricting it to one year.

There was definite objection to eliminating the word "organization" from the principle of representation. In other words, 7-A. This might just as well be made absolutely clear once and for all: About 120,000,000 people out of 125,000,000 understand plain English, and there seems to be a very, very small minority that do not understand plain English. 7-A says that the workers can choose representatives. Now if they want to choose the Ahkoond of Squat they have a perfect right to do so. If they want to choose the Royal Geographic Society, they can do that. If they want to choose a Union of any kind, they can do that. They have free choice of representation and that means

not merely an individual or a worker, but it means a corporation or a union or the Crown Prince of Siam, or anybody. And that has got to be made absolutely clear in this legislation.

Q How do you feel on the point of minorities?

THE PRESIDENT: The question of minorities is not a tremendously serious one because that has to be worked out in each individual case. If there is a substantial minority, it seems fair and equitable that that minority should have some form of representation, but that is a matter of detail depending on the individual case. In some industries it is possible that neither side may want to have it.

Q Suppose they do choose the National Geographic Society, then do the employers have to trade with them?

THE PRESIDENT: Absolutely.

Q About this Crown Prince of Siam, how is he going to get over? (Laughter)

THE PRESIDENT: If he is anything like the King of Siam, he will be pretty good.

Q Are you going on the radio before you leave Washington?

THE PRESIDENT: If I have time. I don't know whether before I leave Washington or before I sail.

Q With reference to the vacation, have you any plans for touching on the Pacific Coast?

THE PRESIDENT: Well, I am going to land on the Pacific.

Q On the return?

THE PRESIDENT: Where I am going to land, I do not know, but of course I would like to go up the whole length of the Coast although it seems very doubtful that I would have time at the present time because, as we all know, the Pacific Coast is exceedingly hospitable and if you

go to one place, you have to go to all, and I have to get back to Washington so that the length of time I can be on the Coast will have to be limited. On the way back I am going to specialize, you might say, in going to some of the big projects, like the two Columbia River projects, the Fort Peck project and some of those. Those individual places are not by any means certain but I will go to three or four projects on the way back; it might not be those.

Q Assuming you get away on the twenty-sixth, at what time will you get to the Coast?

THE PRESIDENT: Somewhere around the end of July.

Q About four weeks?

THE PRESIDENT: Yes; the total length of time away would be less than five weeks; about four weeks, four days.

Q On this possible radio speech, will that be a general report of your stewardship?

THE PRESIDENT: I have no idea; none at all. There is one other thing which I noticed somebody had already started to write a piece about, as they say. During the summer -- in case I forgot to mention it -- it looks probably now as if Congress is going to give us some money in order to have a bit more room in the Executive Offices -- this room, too -- and we have, after fifteen or twenty different designs were made, we seem to have arrived at a pretty good design which will have the entire approval and sanction of the Fine Arts Commission and which would at the same time not destroy the general White House plan. There are certain tricks involved in it. A portion of the new space would be underground, hidden entirely by hedges and things like that, with a sunken courtyard and all sorts of tricks, and another portion

of the addition would be up over this (indicating the ceiling) with practically no change except making the attic livable. Then, the third portion would carry a little one-story portico out on that side (indicating) of the Cabinet Room and in that sort of portico effect would be my new office. My new office would be substantially the same design (as this office) but two feet longer and two feet wider. I did that on account of the Press.

Q Just two feet? (Laughter)

Q May I offer a suggestion that you have some bleacher seats for those little guys in the back? (Laughter)

THE PRESIDENT: We are going to have it designed. Did you ever see an operating room in a medical school? We are going to have tiers running around the wall, almost up to the ceiling, so that you can all see the carving.

Q Are you going to the World's Fair on your return?

THE PRESIDENT: No.

(The Press Conference adjourned at 4.20 P. M.)

CONFIDENTIAL
Press Conference #134,
Executive Offices of the White House,
June 29, 1934, 4.10 P. M.

THE PRESIDENT: (Turning the papers on his desk face down) This is to see that everything is properly hidden. (Laughter) I wasn't looking at Russell (Mr. Young); it is all right.

Q Are you all ready to go this evening?

THE PRESIDENT: All I need is some sleep.

Q So say we all.

Q You had a long session of it last night, didn't you?

THE PRESIDENT: I sat up and drank beer with Barney Baruch and Joe Kennedy. I did not do any work at all. It was awful -- two o'clock and I have no excuse for it.

Q They hung a thermometer out here a while ago and it only got up to 129 $\frac{1}{2}$.

THE PRESIDENT: Wait until you get to Cartagena. That is nothing, the mercury boils down there.

MR. DONALDSON: All in.

THE PRESIDENT: I think the only news at the present moment is an order which I signed this morning to see if we could correct a very difficult situation in regard to the purchases of various articles by the Government. You know, we have been getting a series of identical bids on the plea from the bidders that they are precluded from putting in competitive bids by their filed prices with their respective Code Authorities. We are going to try something new to see if we can break that down. The Executive Order provides -- you can get a copy of it after the Press Conference so that you can tell what it provides -- that any bidder for a Government contract of the United

States or a state or municipality or other public authority, in other words any kind of a Government contract for goods on which the bidder has filed prices with his Code Authority, these bids from now on will be held to have complied with the Code requirements on two conditions: First, if the bidder quotes a price to the Government agencies not more than 15 per cent below his filed price and, secondly, if he does quote a lower price than the filed price, he shall file that lower price with the Code Authority.

In other words, he gives the public the advantage of the same reduction that he offers to the Government.

The second part of it is that if any other member of the Code believes that this lower bid is made possible only by unfair practices, that he has the right to complain to the Administrator of Industrial Recovery who shall thereupon make a finding as to whether the complaint is justified or not.

We hope by this means to restore competition on Government bids and, incidentally, as a result of that, in a very large line of actual prices to consumers, private consumers, and at the same time to prevent unfair trade practices.

Q In other words, Mr. President, if they bid on a Government contract now they do not have to file their prices with the Code Authority?

THE PRESIDENT: Actually at the present time they all bid the same price with the Government on the excuse that that is the price they have filed with the Code Authority.

Q Was this situation true of the Fort Peck Dam Project where they all bid the same price?

THE PRESIDENT: Literally dozens of cases where we have been getting identical bids.

Q How could this react on the public? How could they share if the bids are for the Government?

THE PRESIDENT: Because they have to file. When they file bids on the Government contracts, they have to file the same price with the Code Authority.

Q Won't that still be uniform?

MR. EARLY: Fifteen per cent.

Q It limits competition within a fifteen per cent range?

THE PRESIDENT: Yes. It enables them to have competition to within fifteen per cent below the filed price.

Q They could offer the same prices to the public?

THE PRESIDENT: As to the Government, yes. When they bid on the Government thing it automatically cuts their filed price with their own Authority (Code Authority).

Q That breaks the fixed price?

THE PRESIDENT: Yes.

Q Isn't the result likely to be, that anything that one of their competitors will cut fifteen per cent on, they will cut the same amount?

THE PRESIDENT: We cannot tell; we do not know what the effect is going to be.

Q How would this affect the basing point system, if any?

THE PRESIDENT: I don't know; it is too complicated a question. I haven't the faintest idea.

Q Mr. President, didn't you sign the Railroad Pension Bill?

THE PRESIDENT: I have acted on the Railroad Pension Bill and the Frazier-Leake Bill and the only reason I haven't told you of my action is that I want to file -- to give out a memo or statement at the same time and those are, neither of them, written.

Q Will we get them tonight?

THE PRESIDENT: I hope so, but I cannot guarantee it.

Q Mr. President, do you care to comment on the volume of work that is likely to flow from the Housing Bill, the Housing Act?

THE PRESIDENT: Oh, no, I have no idea yet. There has been no survey of the situation.

Q It will certainly be very large?

THE PRESIDENT: We hope so.

Q Can you give us an idea of the setup you supply under that bill, or do you work that out in detail?

THE PRESIDENT: No. I have asked -- I had better not even say that. I have not got to the point of that.

Q Will the arrangement be made before you leave?

THE PRESIDENT: I hope so.

Q Are you ready to give us the names of the Stock Market (Commission)?

THE PRESIDENT: I hope so.

Q Today?

THE PRESIDENT: Tomorrow or Sunday, and the same thing on Communications and the same thing on pensions. I hope to get most of them done before I go.

Q How about the Archivist?

THE PRESIDENT: I am not appointing anybody yet. The building won't be finished until next summer and I do not see why I should spend ten or twelve thousand dollars a year.

Q Hopkins (Harry Hopkins) said he was definitely out as Housing Administrator.

THE PRESIDENT: He has never been definitely in or indefinitely in.
(Laughter)

Q Is it possible on this order for Government bids for a bidder on two successive bids to make two successive fifteen per cent cuts? That is, he cuts fifteen per cent on the first one and then files it and then --

THE PRESIDENT (interposing): And then there is another opening the following day? I do not see why not. It is perfectly all right.

Q Mr. President, does he file this price after the bid has been delivered to the Government?

THE PRESIDENT: Yes.

Q It is secret until --

THE PRESIDENT (interposing) Secret until the Government bid is actually opened.

Q And if he does not get the contract, he is not bound by that bid price to the public?

THE PRESIDENT: Yes, he is. Everybody, every bidder.

Q If he doesn't get the bid?

THE PRESIDENT: I suppose so, from this language. He shall have been held to comply adequately with the requirements of the Code of Fair Competition, (a) if he quotes a price or prices not more than fifteen per cent below his price or prices filed in accordance with the requirements of the Code and (b) if, after the bids are opened, each bidder quoting a price or prices below his file price shall immediately file a copy of his bid with the Code authorities, with which he is required to file prices.

Q In other words, whether he gets the Government's bids or not, that price stands?

THE PRESIDENT: Yes.

I think Steve (Mr. Early) told you about my going off. We are

going on Sunday evening at six or seven o'clock and getting away during the course of the night and stopping off at Hampton Roads at about seven o'clock the next morning to put off fond farewell messages and to send a report of Fred (Mr. Storm) and Stevie (Mr. Stephenson) and Eddie (Mr. Roddan).

Q (Mr. Stephenson) Say little about that.

THE PRESIDENT: To say how they have stood the angry waters of Chesapeake Bay and about half an hour later I hope we will be out of sight of land. I hope, in the meantime, that you will have, all of you, a pleasant and happy holiday, with no news out of Washington.

Q What is this they say about the destroyer?

Q I am hearing a lot of tales about how those destroyers ride.

THE PRESIDENT: Why, they are fine. (Laughter)

Q Oh, yeah? (Laughter)

THE PRESIDENT: They are well broken.

MR. EARLY: That is why they call them destroyers.

Q We hope you have a very nice trip.

Q Thank you, Mr. President.

CONFIDENTIAL
Press Conference #141,
In the Study of the President's Home at
Hyde Park, N. Y.,
September 5, 1934, 10.50 A. M.

THE PRESIDENT: Where is the Captain? (Referring to the captain of the ball team which had played Lowell Thomas' team at Pawling the Sunday previous.)

Q On the way.

Q We have discovered a way to beat them. We are going to put two left fielders out there with gloves.

Q I will say you have to have gloves.

MR. McINTYRE: The best of that strategy is having Fred (Mr. Storm) in the box. He can't hit.

Q I think we will play Stevie (Mr. Stephenson) on the fence all the time.

THE PRESIDENT: You are certainly good, getting over the fence.

Q (Mr. Stephenson) Wasn't I? And with my eye on the ball all the time. That eighteenth time is what wrecked me.

THE PRESIDENT: There is only one way we can be sure of winning and that's like in the old Harvard -- the Crimson Lampoon games. You never had a keg (of beer) on first; you had to earn that. But we did have a keg on second and one on third.

Q How did you get anybody back to the home plate?

THE PRESIDENT: Oh, we had two kegs there. (Laughter)

Q Speaking of kegs, what did you feed Upton Sinclair?

THE PRESIDENT: Do you know what I fed him? Two long glasses of iced tea.

Q You must have had something in them.

Q He was babbling when he came back (to the Nelson House).

Q Well, he traveled a long way.

Q Mr. President, can you tell us anything more than Sinclair told us yesterday in five thousand well chosen words?

Q He promised that you were going to tell us; that you would tell us what happened here.

THE PRESIDENT: Did he, really?

Q Yes.

THE PRESIDENT: Then he must have had something on the way to Poughkeepsie.

Q There is nothing that you can say about it, Mr. President?

THE PRESIDENT: No.

Q Cannot you discuss the Epic Plan along purely nonpolitical lines?

THE PRESIDENT: No.

I do not think there is any news. I am going to possibly have a story this afternoon. I think I can give you the background on it now so that if the thing does break you will know about it. It is the appointment of one of those special boards of three for the cotton textile. For heaven's sake, do not use the story until I give you the release on it. The Garrison Board which, of course, might be called the Court of Appeals, feels, I think very rightly, that they should not take original jurisdiction over the strike settlements, that it should go to one of the courts of first instance and they recommended that instead of having any question of settlement come before the cotton textile mediation board, of which Robert Bruere is the chairman, that we should carry it out by a special board. There is a provision, you know, in the law for the appointment of a special board. As I remember it, wasn't that San Francisco board one of those special boards? I think it was.

Q Yes, sir.

THE PRESIDENT: Well, this will be exactly the same kind. I have not got the third man yet because I cannot locate him. Two of them will be Governor Winant of New Hampshire and one Mr. Smith of Atlanta.

Q Who is he?

THE PRESIDENT: A prominent attorney and has been the chairman of the Regional Labor Board with very great success. He is a son of old Hoke Smith. This is all subject to release. The third man they could not get so we have to get a third man.

Q Garrison is the chairman?

THE PRESIDENT: This (indicating) is the Labor Relations Board letter: (Reading) "My dear Mr. President:

"This Board, as you know, has tried through mediation to avert the textile strike. We wish to report the circumstances which brought us into the situation; the steps which we took in endeavoring to avert the strike; and our recommendations for a course of action which we hope may bring about a prompt and just settlement of the controversy.

"One of the duties imposed upon the Board by the Executive Order which created it is a study of the work of industrial relations boards established under the codes. Because of complaints made to us that the machinery for handling violations of section 7 (a) in the cotton textile industry was inadequate, we gave special attention to this matter. During the past month we sought, by conferences with the Cotton Textile National Industrial Relations Board, the Code Authority, members of the Cotton Textile Institute, and officials of the United Textile Workers Union, to establish agreement upon a procedure which would provide more adequate handling of 7 (a) cases in the cotton textile industry. In the course of these discussions it became apparent that no action which our Board might take with respect to these cases would in itself prevent the strike. The Board concluded, therefore, that nothing would be gained by any final action on its part until the strike was either averted or terminated.

"Our inquiries and discussions in connection with the 7 (a) cases merged into the causes of the present strike, one of which is the handling of these cases. These circumstances led us inevitably into the role of mediator, particularly since the offer of the Cotton Textile National Industrial Relations Board to

mediate had been rejected by the Union. This rejection occurred last Friday, August 24, and the Union requested our Board to act. The Board immediately called in the Union Committee and conferred with it throughout the week-end. On Monday the Board dispatched invitations to the Cotton Textile Institute, the Cotton Textile National Industrial Relations Board and the Union Committee to attend a round table conference. On Wednesday the President of the Cotton Textile Institute declined the invitation.

"The Board being unable to bring about a joint conference, which the Board believed held out the only real possibility of averting the strike, separate conferences were held with representatives of the Cotton Textile Institute and the Union. In these conferences the Board made every possible effort to find some formula for avoiding the strike, but without success.

"As a matter of policy we doubt the wisdom of the Board's acting as mediator in this or any other strike situation. Mediation is frequently carried on by the regional labor boards, which are under the jurisdiction of this Board; but it has been our conviction that the purposes of Public Resolution 44 and the Executive Order establishing this Board could best be served if the Board kept itself clear of mediation activities. It is evident that the Public Resolution and the Executive Order intended our Board to serve as a quasi-court for interpreting in terms of particular cases the meaning and intent of section 7 (a).

"As a semi-judicial body it is desirable that we be as far removed as possible from direct participation in controversies over some aspects of which we may at a later date be asked to sit in judgment. The Board ought not to be placed in a position which might hamper respect for its judicial activities and hinder its effectiveness as a body for building up public opinion in support of disinterested interpretations of the law. It is true that under the Public Resolution and the Executive Order the Board is authorized to investigate issues in controversies which are burdening interstate commerce, but in our judgment this power should be exercised sparingly, and rather for the purpose of ascertaining the facts prior to a strike situation, than for the purpose of settling it after it has occurred.

"In deference to the important function which we have been created by you to discharge, we believe that the public interest would best be served by our immediate withdrawal from further mediation efforts in the textile strike. From our knowledge of the situation we are satisfied that mediation looking toward a termination of the strike can best go forward by your creating a special board under Public Resolution 44, with full authority to investigate the causes of the strike and to propose a just basis of settlement.

"We shall be glad to assist such a board in whatever ways seem appropriate and in conformity with the general purposes

which it is our duty under the statute and the Executive Order to discharge.

Respectfully submitted,

Lloyd K. Garrison, Chairman."

Q Is that to be released?

THE PRESIDENT: If you want to carry that letter and the fact that this board will be announced very soon, that is all right.

Q But not to use the names?

THE PRESIDENT: Not the names yet. I have to get all three at the same time and I will probably get the third name this afternoon.

Q Late enough for the morning papers?

Q Early enough for the evening papers? (Laughter)

THE PRESIDENT: That will give you a grand story.

Q In connection with the textile strike, did you have a telegram from Senator Kean, of New Jersey?

MR. McINTYRE: Got it this morning.

THE PRESIDENT: What does the old boy want?

Q I think he has had a tip it was going to be done and he wanted to get in on the band wagon quick. It has all the earmarks.

Q Somebody told him.

THE PRESIDENT: He would not have done it of his own accord.

Q Somebody told him it was going to be done.

Q Is there anything to say about Mayor LaGuardia's visit here?

THE PRESIDENT: No, I don't know what he is going to talk about. I suppose in general it will be about the City financial problems and relief problems.

There is one thing you boys could ask about and get an awfully good story. About three months ago there appeared an editorial in the

London Times which, of course, people over here still regard as the bailiwick of Toryism, and as I remember it, I have filed it away, the editorial ran something like this: That we in England are somewhat surprised, somewhat amazed at the resistance, the objections being offered by certain elements in American industry to Article 7-A, which reads as follows -- and then it quoted Article 7-A which, as you know, is very short. Then it goes on to say, "Our surprise is based on the fact, which every Englishman knows, that its principle has been accepted in England since" -- when was the general strike?

Q 1926.

THE PRESIDENT: " -- since 1926, and the acceptance of the principles of 7-A since that time has prevented any serious labor difficulties in the British Isles, and therefore, perhaps, it is interesting to note that conservative old England has been for so many years several steps ahead of so-called radical young America in its dealing with social problems and labor problems." I wish you (addressing Lord Illiffe, who was attending the Press Conference) could talk to these good people and tell them something about how you have worked out some of your labor problems, except that you are just about three jumps ahead of us.

LORD ILLIFFE: (Joint owner of the London Telegraph and other papers) Of course, labor has had its experiences in England for a very much longer time than it has in the United States, has it not?

THE PRESIDENT: Taking it by and large, yes.

LORD ILLIFFE: We have a responsible union system now but, as you know, we have had very considerable troubles. But I think the same thing is going to apply to the United States. You have unions here that

have only just begun to feel their power and when a man gets power at first he does not know how to use it, but he does after a bit. I am perfectly certain it is going to turn out right in the end.

THE PRESIDENT: Some of our unions are going to work out really well.

LORD ILLIFFE: The result of the general strike in England in 1926, I think, is that it gave unions a greater feeling of responsibility than they felt before. They really thought that it was possible for them to do anything and they did not consider the interest of the Nation as a whole. Before 1926 they played their own hand; after 1926 they realized that they have to consider the general good of the public. In the United States, as soon as they realize that, you will find that the union system works all right.

In these days, when you have organized capital you have to have organized labor, and each side has to realize its responsibility for the public good as a whole.

Q Does England recognize the principle of collective bargaining?

LORD ILLIFFE: Oh, yes; it does.

THE PRESIDENT: Did the bill pass the present House of Commons that was pending away back in June before I went off on my trip? It was a bill which would give the government enforcement authority in the case of agreements which had been made in any particular industry between labor and capital. As I recall it, there was some bill pending of that kind and it was a government measure.

LORD ILLIFFE: I don't remember it. Was it just recently?

THE PRESIDENT: It was in June before I went on my trip.

LORD ILLIFFE: I don't remember that. You mean to enforce agreements that have been arrived at voluntarily between capital and labor, that they should be enforced by government?

THE PRESIDENT: Yes.

LORD ILLIFFE: I don't remember that.

THE PRESIDENT: There was something of that kind. I saw it in a newspaper story. It might not have been entirely accurate.

One thing -- and this is off the record completely, just conversation between us -- thinking people are beginning to realize certain elements in the situation. This brings in California again, but I have to keep it off the record because there is no use talking about things like that out loud.

In the San Francisco strike a lot of people completely lost their heads and telegraphed me, "For God's sake come back; turn the ship around." Stephenson and Roddan and Fred (Storm) would not let me turn the ship around. They insisted on Hawaii. Everybody demanded that I sail into San Francisco Bay, all flags flying and guns double shotted, and end the strike. They went completely off the handle.

Well, I kept in pretty close touch, which I would not admit to the Three Musketeers. It appeared very clear to me that just as soon as there was talk about a general strike, there were probably two elements bringing about that general strike. One was the hot-headed young leaders who had had no experience in organized labor whatsoever and said that the only thing to do was to have a general strike, and, on the other side was this combination out there on the Coast of people like the editor of the Los Angeles Times, for instance, who was praying for a general strike. In other words, there was the old, conservative crowd just hoping that there would be a general strike, being clever enough to know that a general strike always fails. Hence there was a great deal of encouragement for a general strike.

That is why I have to say this off the record because, if you put me in court, I could not prove it from the legal point, but it was there. For instance, this Hearst man operated among some of the newspapers in San Francisco and along the Coast, and they all agreed to work together, all the editors of all the papers, for a general objective, and the objective was to encourage the general strike. That is the fact, as I say, although I could not produce legal proof of it in court. But the fact remains that they did discuss and encourage it among themselves. In other words, they baited the other fellow into it, not by offering him money but by baiting him into it.

The general strike started and immediately the strikers, being young, did the silly thing of saying to the inhabitants, "You cannot eat in that restaurant, but you can eat in that restaurant." Naturally, the public resented it.

Of course they learn by things of that kind. They have got to go through the actual processes, actual examples, and not interference from the Federal Government or the President or the United States troops. People will learn from a certain number of examples. We have to conduct the country and essentially to conduct labor to their responsibility.

LORD ILIFFE: We realized in England that there would be a general strike on before 1926, but, until the thing occurred, we were frightened of it. But I am inclined to agree that no general strike can succeed and that it did a lot towards making the labor element realize its responsibility in Great Britain.

THE PRESIDENT: As a matter of fact, this textile strike, off the record, would not have occurred at all if it had not been for a gentleman named Norman Thomas. He is an idealist but, when it comes down to practical

things, he is not there at all. There is nothing. He got up and made a speech in this meeting, a meeting which was completely in hand, well in hand. They were not going to go out on the third of September until he made a speech and then they forced the thing on McMahon and others. It was against their will because these unfortunate textile people in the meeting did not realize what McMahon and the leaders knew, that there was a six-weeks supply of cotton goods on hand, on the shelves, and the people running the factories were perfectly delighted.

LORD ILLIFFE: They wanted their stocks used up?

THE PRESIDENT: Yes.

Q Mr. President, would it be possible for us to use this interview with Lord Illiffe, and bring in the fact that you questioned him a little bit about English labor conditions?

THE PRESIDENT: Submitting it to him first, submitting it to the editor.

I don't know that there is anything pending. I am nearly cleaned up. I was terribly far behind.

Q Mr. President, would you care to make any comment on the decline in Government bonds and the effect on new financing?

THE PRESIDENT: I didn't know that they had any.

Q There are five new lows.

THE PRESIDENT: What did it amount to?

Q Just a little bit below par.

THE PRESIDENT: No, the only comment would have to be off the record. It is regarding the attitude of certain newspapers and therefore I want to make it off the record. But it is an interesting thing, the number of people who have come to me, not in political life or government life at all, and said -- readers of these papers -- "Why are

people trying to destroy the credit of their own Government?" Now, that is the fact. Why are newspapers trying to destroy the credit of their own Government? It is just one of those things. It is a little bit like that front page of the Sun that came out two weeks ago Saturday that I wrote to Will Dewart (N. Y. Sun) about. The average layman, reading that sort of thing, says, "My God, is the Government going to have trouble in financing a small amount of \$1,700,000,000 on September 15th and October 15th?" That is the impression he would gain from reading the financial pages and the front pages. And, of course, there is nothing to be done about it. You cannot do anything against it, that would be silly.

Some day I am going to read to you, off the record, my letter to Bill Dewart which he got two weeks ago and to which he has not replied. If I do say so, I think it is good.

Q I should think it would be. (Laughter)

THE PRESIDENT: There is one line which you cannot use because I am going to use it later on, and that was that I would have to amend what I said in my Inaugural Address when I said that the greatest thing that America has to fear is fear itself. I would now say that there is a greater thing that America needs to fear, and that is those who seek to instill fear into the American people.

Q A number of the papers have been carrying stories recently to the effect that the budget would not be balanced.

THE PRESIDENT: Oh, Stevie, (Mr. Stephenson) send this damn' thing down to your office in Washington.

Q (Mr. Stephenson) What date line is that?

THE PRESIDENT: Send it down. \$500,000,000 -- this is off the record -- it is an A. P. story that a five hundred million dollar tax bill is

planned. It is an assertion -- a lie. It says that the Administration is to ask new relief from Congress. Paragraph one, lead, "A five hundred million dollar tax bill is one of the chores to be asked of Congress in January." That is a lie. It says that it is also reported to it that they are going to ask for relief and for other purposes. Of course we are going to ask for relief, et cetera. Tell your office in Washington that that is the kind of thing --

Q (Mr. Stephenson) I will take this so you won't see it again. (Laughter)

THE PRESIDENT: Otherwise we are feeling very well this morning.

(The Press Conference adjourned at 11.10 A. M.)